

**City of Corunna  
Shiawassee County, Michigan**

**FINANCIAL STATEMENTS**

**June 30, 1997**

City of Corunna

Shiawassee County, Michigan

June 30, 1997

CITY COUNCIL AND ADMINISTRATION

Mr. Michael Sarrazin	Mayor
Mr. Stephen Corey	Council Member
Ms. Deborah Bendall	Council Member
Mr. Calvin Hornus	Council Member
Mr. John DeGood	Council Member
Ms. Cecilia Sumner	Council Member
Ms. Betty Jenkins	Council Member
Ms. Lisa Hitchcock	City Manager
Mr. Ronald Smith	Finance Director/ Treasurer
Ms. Yvonne Long	City Clerk

City of Corunna

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**ABRAHAM & GAFFNEY, P.C.**  
Certified Public Accountants  
**INDEPENDENT AUDITOR'S REPORT**

Member:  
American Institute of Certified  
Public Accountants  
and  
Michigan Association of  
Certified Public Accountants

To the Honorable Mayor and  
Members of the City Council  
City of Corunna  
Corunna, Michigan

We have audited the accompanying general purpose financial statements of the City of Corunna, Michigan as of and for the year ended June 30, 1997, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Corunna, Michigan as of June 30, 1997, and the results of its operations and cash flows of its proprietary fund types and similar trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 21, 1997 on our consideration of the City of Corunna's internal control structure and a report dated August 21, 1997 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the Table of Contents under Supplemental Financial Information are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Corunna, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

August 21, 1997

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

City of Corunna

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1997

	Primary				
	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects (Public Improvement)	Enterprise
<b>ASSETS</b>					
Cash and cash equivalents	\$ 273,853	\$ 447,911	\$ 25,412	\$ 20,422	\$ 803,813
Cash and cash equivalents - restricted	11,389	-	-	-	19,747
Investments	-	89,548	22,260	-	-
Receivables					
Taxes	4,976	-	-	-	-
Accounts	190	-	-	-	162,903
Special assessments	2,763	8,560	-	-	-
Contracts	-	167,317	-	-	-
Accrued interest	-	1,814	168	-	1,845
Due from other funds	12,217	29,738	-	48,600	15,505
Due from primary government	-	-	-	-	-
Due from other governmental units					
State	-	26,300	-	-	-
Federal	4,742	-	-	-	-
Local	16,890	5,114	-	-	-
Treatment rights (net of accumulated amortization)	-	-	-	-	122,754
Inventory	-	1,758	-	-	-
Advances to component unit	-	265,231	-	-	-
Fixed assets (net of accumulated depreciation)	-	-	-	-	1,615,368
Construction in progress	-	-	-	-	1,689,859
Amount available for retirement of general long-term debt	-	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 327,020</b>	<b>\$ 1,043,291</b>	<b>\$ 47,840</b>	<b>\$ 69,022</b>	<b>\$ 4,431,794</b>

See accompanying notes to general purpose financial statements.

Government					Component Unit	
Fund Types	Fiduciary Fund Types	Account Groups				Reporting Entity Totals (Memorandum Only)
Internal Service (Motor Pool)	Trust and Agency	General Fixed Assets	General Long-Term Debt	Totals (Memorandum Only)	Downtown Development Authority	
\$ 49,982	\$ 36,594	\$ -	\$ -	\$ 1,657,987	\$ 5,759	\$ 1,663,746
-	-	-	-	31,136	-	31,136
-	75,664	-	-	187,472	-	187,472
-	-	-	-	4,976	-	4,976
-	-	-	-	163,093	3,485	166,578
-	-	-	-	11,323	-	11,323
-	-	-	-	167,317	-	167,317
-	321	-	-	4,148	-	4,148
7,900	-	-	-	113,960	-	113,960
-	-	-	-	-	213	213
-	-	-	-	26,300	-	26,300
-	-	-	-	4,742	-	4,742
-	-	-	-	22,004	-	22,004
-	-	-	-	122,754	-	122,754
-	-	-	-	1,758	-	1,758
-	-	-	-	265,231	-	265,231
134,535	-	2,487,508	-	4,237,411	757,534	4,994,945
-	-	-	-	1,689,859	-	1,689,859
-	-	-	5,783	5,783	-	5,783
-	-	-	997,976	997,976	390,561	1,388,537
<u>\$ 192,417</u>	<u>\$ 112,579</u>	<u>\$ 2,487,508</u>	<u>\$ 1,003,759</u>	<u>\$ 9,715,230</u>	<u>\$ 1,157,552</u>	<u>\$ 10,872,782</u>



## City of Corunna

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS - CONTINUED

June 30, 1997

	Primary				
	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects (Public Improvements)	Enterprise
LIABILITIES					
Payables					
Accounts	\$ 39,870	\$ 6,524	\$ -	\$ 69,022	\$ 37,871
Wages	29,985	1,396	-	-	556
Other accrued liabilities	8,365	-	-	-	20,070
Due to other funds	3,000	28,328	17,755	-	53,664
Due to component unit	-	-	-	-	-
Due other governmental units - State	-	-	-	-	-
Due to individuals and agencies	476	-	-	-	-
Deferred revenue	2,763	175,317	-	-	-
Bonds payable	-	-	-	-	1,430,000
Capital lease payable	-	-	-	-	46,597
Loans and contracts payable	-	-	-	-	125,463
Advances from primary government	-	-	-	-	-
TOTAL LIABILITIES	84,459	211,565	17,755	69,022	1,714,221
FUND EQUITY					
Contributed capital	-	-	-	-	2,139,898
Investment in general fixed assets	-	-	-	-	-
Retained earnings					
Reserved for bonds	-	-	-	-	52,155
Reserved for debt service	-	-	-	-	11,563
Reserved for replacement	-	-	-	-	396,065
Unreserved	-	-	-	-	117,892
Fund balance (deficits)					
Reserved for					
Debt service	-	-	5,783	-	-
Advances to component unit	-	265,231	-	-	-
Trust activities	-	-	-	-	-
Retirement benefits	11,389	-	-	-	-
Unreserved - undesignated	231,172	566,495	24,302	-	-
TOTAL FUND EQUITY	242,561	831,726	30,085	-0-	2,717,573
TOTAL LIABILITIES AND FUND EQUITY	\$ 327,020	\$ 1,043,291	\$ 47,840	\$ 69,022	\$ 4,431,794

See accompanying notes to general purpose financial statements.

Government					Component Unit	
Fund Types	Fiduciary Fund Types	Account Groups				Reporting Entity Totals (Memorandum Only)
Internal Service (Motor Pool)	Trust and Agency	General Fixed Assets	General Long-Term Debt	Totals (Memorandum Only)	Downtown Development Authority	
\$ 11,189	\$ -	\$ -	\$ -	\$ 164,476	\$ 468	\$ 164,944
154	-	-	-	32,091	-	32,091
-	-	-	27,981	56,416	-	56,416
-	11,213	-	-	113,960	-	113,960
-	213	-	-	213	-	213
-	-	-	-	-0-	8,766	8,766
-	41,710	-	-	42,186	3,323	45,509
-	-	-	-	178,080	-	178,080
-	-	-	870,000	2,300,000	-	2,300,000
-	-	-	6,000	52,597	-	52,597
-	-	-	99,778	225,241	390,561	615,802
-	-	-	-	-0-	265,231	265,231
11,343	53,136	-0-	1,003,759	3,165,260	668,349	3,833,609
-	-	-	-	2,139,898	-	2,139,898
-	-	2,487,508	-	2,487,508	757,534	3,245,042
-	-	-	-	52,155	-	52,155
-	-	-	-	11,563	-	11,563
-	-	-	-	396,065	-	396,065
181,074	-	-	-	298,966	-	298,966
-	-	-	-	5,783	-	5,783
-	-	-	-	265,231	-	265,231
-	59,443	-	-	59,443	-	59,443
-	-	-	-	11,389	-	11,389
-	-	-	-	821,969	(268,331)	553,638
181,074	59,443	2,487,508	-0-	6,549,970	489,203	7,039,173
\$ 192,417	\$ 112,579	\$ 2,487,508	\$ 1,003,759	\$ 9,715,230	\$ 1,157,552	\$ 10,872,782

City of Corunna

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL AND EXPENDABLE TRUST FUND TYPES

Year Ended June 30, 1997

	Primary	
	Governmental	
	General	Special Revenue
REVENUES		
Taxes	\$ 489,101	\$ 180,070
Licenses and permits	36,242	-
Intergovernmental	343,039	172,751
Charges for services	198,125	13,628
Fines and forfeits	25,416	16,070
Interest and rents	62,318	20,251
Special assessments	2,631	9,120
Other	45,883	120,802
TOTAL REVENUES	1,202,755	532,692
EXPENDITURES		
Legislative	6,510	-
General government	331,340	-
Public safety	417,963	120
Highways and streets	-	159,215
Public works	229,615	-
Health and welfare	-	20,183
Recreation and cultural	119,546	126,611
Other	-	65,000
Debt service	23,560	13,533
TOTAL EXPENDITURES	1,128,534	384,662
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	74,221	148,030
OTHER FINANCING SOURCES (USES)		
Operating transfers in	-	85,892
Operating transfers out	(53,813)	(89,306)
Accrued interest	-	-
Bond and lease proceeds	6,750	-
Bond discount	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(47,063)	(3,414)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	27,158	144,616

Government				Component Unit	
Fund Types		Fiduciary Fund Type			Reporting Entity Totals (Memorandum Only)
Debt Service	Capital Projects (Public Improvements)	Expendable Trust (Fireworks)	Totals (Memorandum Only)	Downtown Development Authority	
\$ -	\$ -	\$ -	\$ 669,171	\$ 25,365	\$ 694,536
-	-	-	36,242	-	36,242
-	250,000	-	765,790	-	765,790
-	-	-	211,753	-	211,753
-	-	-	41,486	-	41,486
2,337	3,120	61	88,087	48,301	136,388
-	-	-	11,751	-	11,751
-	-	14,913	181,598	20	181,618
2,337	253,120	14,974	2,005,878	73,686	2,079,564
-	-	-	6,510	-	6,510
-	-	-	331,340	-	331,340
-	-	-	418,083	-	418,083
-	-	-	159,215	-	159,215
-	1,236,930	-	1,466,545	-	1,466,545
-	-	-	20,183	-	20,183
-	-	15,843	262,000	-	262,000
1,717	-	-	66,717	33,625	100,342
74,490	-	-	111,583	38,358	149,941
76,207	1,236,930	15,843	2,842,176	71,983	2,914,159
(73,870)	(983,810)	(869)	(836,298)	1,703	(834,595)
57,227	128,600	-	271,719	-	271,719
-	-	-	(143,119)	-	(143,119)
3,721	-	-	3,721	-	3,721
-	870,000	-	876,750	-	876,750
-	(14,790)	-	(14,790)	-	(14,790)
60,948	983,810	-0-	994,281	-0-	994,281
(12,922)	-0-	(869)	157,983	1,703	159,686

City of Corunna

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL AND EXPENDABLE TRUST FUND TYPES - CONTINUED

Year Ended June 30, 1997

	<u>Primary</u>	
	<u>Governmental</u>	
	<u>General</u>	<u>Special Revenue</u>
Fund balances (deficit), beginning of year	215,403	683,669
Prior period adjustment	<u>-</u>	<u>3,441</u>
Fund balances (deficit), end of year	<u>\$ 242,561</u>	<u>\$ 831,726</u>

See accompanying notes to general purpose financial statements.

Government				Component Unit	
Fund Types		Fiduciary Fund Type			Reporting Entity Totals (Memorandum Only)
Debt Service	Capital Projects (Public Improvements)	Expendable Trust (Fireworks)	Totals (Memorandum Only)	Downtown Development Authority	
43,007	-	7,094	949,173	(270,034)	679,139
-	-	-	3,441	-	3,441
<u>\$ 30,085</u>	<u>\$ -0-</u>	<u>\$ 6,225</u>	<u>\$ 1,110,597</u>	<u>\$ (268,331)</u>	<u>\$ 842,266</u>

City of Corunna

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUND TYPES

Year Ended June 30, 1997

	General Fund		
	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 488,679	\$ 489,101	\$ 422
Licenses and permits	36,168	36,242	74
Intergovernmental	339,654	343,039	3,385
Charges for services	208,970	198,125	(10,845)
Fines and forfeits	24,300	25,416	1,116
Interest and rents	57,920	62,318	4,398
Special assessments	2,734	2,631	(103)
Other	45,900	45,883	(17)
TOTAL REVENUES	1,204,325	1,202,755	(1,570)
EXPENDITURES			
Legislative	6,521	6,510	11
General government	334,747	331,340	3,407
Public safety	423,979	417,963	6,016
Highways and streets	-	-	-0-
Public works	237,622	229,615	8,007
Health and welfare	-	-	-0-
Recreation and cultural	124,016	119,546	4,470
Other	-	-	-0-
Debt service	23,627	23,560	67
TOTAL EXPENDITURES	1,150,512	1,128,534	21,978
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	53,813	74,221	20,408
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-0-
Operating transfers out	(53,813)	(53,813)	-0-
Accrued interest	-	-	-0-
Capital lease proceeds	-	6,750	6,750
TOTAL OTHER FINANCING SOURCES (USES)	(53,813)	(47,063)	6,750
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-0-	27,158	27,158

Special Revenue Funds			Debt Service Funds		
Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
\$ 174,100	\$ 180,070	\$ 5,970	\$ -	\$ -	\$ -0-
-	-	-0-	-	-	-0-
170,369	172,751	2,382	-	-	-0-
12,985	13,628	643	-	-	-0-
14,601	16,070	1,469	-	-	-0-
9,050	20,251	11,201	960	2,337	1,377
9,120	9,120	-0-	-	-	-0-
125,703	120,802	(4,901)	-	-	-0-
515,928	532,692	16,764	960	2,337	1,377
-	-	-0-	-	-	-0-
-	-	-0-	-	-	-0-
120	120	-0-	-	-	-0-
174,713	159,215	15,498	-	-	-0-
-	-	-0-	-	-	-0-
20,297	20,183	114	-	-	-0-
118,903	126,611	(7,708)	-	-	-0-
65,000	65,000	-0-	-	1,717	(1,717)
13,526	13,533	(7)	74,496	74,490	6
392,559	384,662	7,897	74,496	76,207	(1,711)
123,369	148,030	24,661	(73,536)	(73,870)	(334)
85,892	85,892	-0-	57,227	57,227	-0-
(89,306)	(89,306)	-0-	-	-	-0-
-	-	-0-	17,400	3,721	(13,679)
-	-	-0-	-	-	-0-
(3,414)	(3,414)	-0-	74,627	60,948	(13,679)
119,955	144,616	24,661	1,091	(12,922)	(14,013)



City of Corunna

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUND TYPES - CONTINUED

Year Ended June 30, 1997

	General Fund		
	Amended <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Fund balances, beginning of year	\$ 215,403	\$ 215,403	\$ -0-
Prior period adjustment	-	-	-0-
Fund balances, end of year	<u>\$ 215,403</u>	<u>\$ 242,561</u>	<u>\$ 27,158</u>

See accompanying notes to general purpose financial statements.

Special Revenue Funds			Debt Service Funds		
Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
683,669	683,669	-0-	\$ 43,007	\$ 43,007	\$ -0-
-	3,441	3,441	-	-	-0-
<u>\$ 803,624</u>	<u>\$ 831,726</u>	<u>\$ 28,102</u>	<u>\$ 44,098</u>	<u>\$ 30,085</u>	<u>\$ (14,013)</u>

City of Corunna

COMBINED STATEMENT OF REVENUES, EXPENSES/EXPENDITURES, AND CHANGES IN  
RETAINED EARNINGS/FUND BALANCE - PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND

Year Ended June 30, 1997

	Proprietary Fund Types		Fiduciary Fund Type	
	Enterprise	Internal Service (Motor Pool)	Nonexpendable Trust Fund (Cemetery Perpetual Care)	Totals (Memorandum Only)
OPERATING REVENUES				
Charges for services	\$ 724,034	\$ 95,665	\$ 3,640	\$ 823,339
Capital charges	131,246	-	-	131,246
Other	7,620	3,289	-	10,909
TOTAL OPERATING REVENUES	862,900	98,954	3,640	965,494
OPERATING EXPENSES				
Salaries and wages	73,630	6,002	-	79,632
Fringe benefits	37,011	8,893	-	45,904
Administrative charges	7,300	4,104	-	11,404
Contractual services	52,981	8,596	-	61,577
Supplies	34,511	27,111	-	61,622
Utilities	16,351	4,055	-	20,406
Treatment costs	284,520	-	-	284,520
Communications	-	1,854	-	1,854
Repairs and maintenance	9,125	-	-	9,125
Equipment rental	9,420	-	-	9,420
Other	301	-	-	301
Depreciation	97,016	27,261	-	124,277
Amortization	27,121	-	-	27,121
TOTAL OPERATING EXPENSES	649,287	87,876	-0-	737,163
OPERATING INCOME	213,613	11,078	3,640	228,331
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	23,863	-	1,629	25,492
Rent revenue	15,048	-	-	15,048
Interest expense	(91,006)	(269)	-	(91,275)
Gain on sale of fixed assets	-	6,610	-	6,610
Loss on sale of fixed assets	-	(1,120)	-	(1,120)
Paying agent fees	(825)	-	-	(825)
TOTAL NONOPERATING REVENUES (EXPENSES)	(52,920)	5,221	1,629	(46,070)

City of Corunna

COMBINED STATEMENT OF REVENUES, EXPENSES/EXPENDITURES, AND CHANGES IN  
RETAINED EARNINGS/FUND BALANCE - PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND -  
CONTINUED

Year Ended June 30, 1997

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	
		Internal Service	Nonexpendable Trust Funds	Totals
	<u>Enterprise</u>	<u>(Motor Pool)</u>	<u>(Cemetery Perpetual Care)</u>	<u>(Memorandum Only)</u>
INCOME BEFORE TRANSFERS	\$ 160,693	\$ 16,299	\$ 5,269	\$ 182,261
TRANSFERS OUT				
Transfers out	<u>(128,600)</u>	<u>-</u>	<u>-</u>	<u>(128,600)</u>
NET INCOME	32,093	16,299	5,269	53,661
Retained earnings, beginning of year	<u>545,582</u>	<u>164,775</u>	<u>47,949</u>	<u>758,306</u>
Retained earnings, end of year	<u>\$ 577,675</u>	<u>\$ 181,074</u>	<u>\$ 53,218</u>	<u>\$ 811,967</u>

See accompanying notes to general purpose financial statements.

City of Corunna

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES  
AND SIMILAR TRUST FUND

Year Ended June 30, 1997

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service (Motor Pool)</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 213,613	\$ 11,078
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	124,137	27,261
(Increase) in accounts receivables	(1,676)	-
(Increase) in interest receivable	(1,089)	-
Increase in due to other funds	48,600	-
Increase (decrease) in accounts payable	(73,163)	10,481
(Decrease) in accrued liabilities	(4)	(1)
(Decrease) in accrued interest payable	(9,224)	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>301,194</b>	<b>48,819</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Rent revenue	15,048	-
Transfers out	(128,600)	-
<b>NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(113,552)</b>	<b>-0-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of fixed assets	-	6,822
Interest expense	(91,006)	(269)
Capital purchases	(113,630)	(31,802)
Paying agent fees	(825)	-
Payment of borrowing	(108,464)	(7,172)
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(313,925)</b>	<b>(32,421)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest revenue	23,863	-

<u>Fiduciary Fund Type</u>		
Nonexpendable		Totals
Trust Funds		(Memorandum
(Cemetery		<u>Only</u> )
<u>Perpetual Care</u> )		
\$ 3,640	\$ 228,331	
-	151,398	
-	(1,676)	
-	(1,089)	
-	48,600	
-	(62,682)	
-	(5)	
-	(9,224)	
<hr/>	<hr/>	
\$ 3,640	\$ 353,653	
-	15,048	
-	(128,600)	
<hr/>	<hr/>	
-0-	(113,552)	
-	6,822	
-	(91,275)	
-	(145,432)	
-	(825)	
-	(115,636)	
<hr/>	<hr/>	
-0-	(346,346)	
<hr/>	<hr/>	
1,629	25,492	

City of Corunna

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES  
AND SIMILAR TRUST FUND - CONTINUED

Year Ended June 30, 1997

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service (Motor Pool)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING YEAR	(102,420)	16,398
Cash and cash equivalents, beginning of year	<u>925,979</u>	<u>33,584</u>
Cash and cash equivalents, end of year	<u>\$ 823,559</u>	<u>\$ 49,982</u>

Note: For the year ended June 30, 1997 the Enterprise (Sewer System) Fund recorded an increase to Construction in Progress of \$1,155,495 and Contributed Capital - Taxpayers of \$905,495 and Contributed Capital - Other Governmental Units of \$250,000 as a result of construction costs related to sewer improvements projects. These expenditures are reported in the Capital Projects (Public Improvement) Fund.

See accompanying notes to general purpose financial statements.

<u>Fiduciary Fund Type</u>	
Nonexpendable	
Trust Funds	Totals
(Cemetery	(Memorandum
<u>Perpetual Care)</u>	<u>Only)</u>
5,269	(80,753)
13,674	973,237
<u>\$ 18,943</u>	<u>\$ 892,484</u>



City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Corunna is located in Shiawassee County, Michigan and has a population of approximately 3,100. The City of Corunna operates with a City Manager/Council form of government and provides services to its residents in many areas including general government, law enforcement, highways and streets, human services, and utilities services.

The City has six (6) City Council members who are elected at large for overlapping four (4) year terms and a Mayor elected at large for a two (2) year term. The Council appoints the City Manager, Finance Director/Treasurer, and Assessor.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to City governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

1. Reporting Entity

As required by generally accepted accounting principles; GASB Statement 14, The Financial Reporting Entity; and Statement on Michigan Governmental Accounting and Auditing No. 5, these financial statements present the financial activities of the City of Corunna (primary government) and its component unit (Downtown Development Authority).

The component unit columns in the general purpose financial statements include the financial data of the City's component unit (Downtown Development Authority). It is reported in a separate column to emphasize that it is legally separate from the City.

The governing body of the Downtown Development Authority is appointed by the City Council, the Authority's budget is subject to the approval of the City Council, the City temporarily relinquishes part of its tax base to the Authority (tax increment revenues), and the City has pledged its full faith and credit toward payment of the Authority's debt.

The financial statements of the City of Corunna Building Authority have been blended with the City's Debt Service Funds and General Long-Term Debt Account Group. The financial statements of the Corunna Historical Commission, Softball Commission, and Corunna Fourth of July Commission have been blended with the City's Special Revenue Funds.

The Corunna Softball Commission activities are reported on the fiscal year end of October 31, 1996.

2. Joint Venture

The City participates in the following activity which is considered to be a joint venture in relation to the City, due to there being ongoing financial interest or responsibility:

Owosso Community Airport Board - The City of Corunna along with the City of Owosso, Shiawassee County, and Owosso and Caledonia Townships have entered into an agreement which created the Owosso Community Airport Board. The Airport Board is composed of one (1) member from each of the member municipalities. The Airport has been reported as a fund in the December 31, 1996 financial statements of Shiawassee County. The Airport is expected to be self-sufficient but based on a "10 Year Funding Model" approved by the Board each participating municipality shall make a direct appropriation to cover operations and development costs. The percentage share for the funding model for each municipality is Shiawassee County and the City of Owosso 33%, Owosso and Caledonia Townships 13%, and the City of Corunna 8%. The City paid \$2,850 to the Board for the year ended June 30, 1997.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**3. Jointly Governed Organizations**

The City participates in the following activities which are considered to be jointly governed organizations in relation to the City, due to there being no ongoing financial interest or responsibility:

Corunna Area Ambulance Service, Inc. - The City of Corunna along with the Townships of New Haven and Caledonia have entered into a service agreement with Corunna Area Ambulance Service, Inc., a Michigan nonprofit Corporation. The Corporation's board is composed of seven (7) members appointed by the corporation and one each from the City of Corunna, and New Haven and Caledonia Townships. The City is responsible to pay a per dwelling or equivalent unit charge for all dwellings in the City limits which is assessed to all residents on their summer tax bills. The City paid \$14,570 in per dwelling charges to Corunna Area Ambulance Service, Inc. for the year ended June 30, 1997.

**4. Basis of Presentation**

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and account groups reported in the financial statements are categorized and described as follows:

**GOVERNMENTAL FUNDS**

- a. General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.
- c. Debt Service Funds - The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- d. Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital projects (other than those financed by Proprietary Funds and Trust Funds).

**PROPRIETARY FUNDS**

- a. Enterprise Funds - The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
- b. Internal Service Fund - The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

4. Basis of Presentation - continued

FIDUCIARY FUNDS

- a. Trust Funds - The Trust Funds are used to account for assets held by the City in a trustee capacity. Nonexpendable trust funds are reported similar to proprietary funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds.
- b. Agency Funds - The Agency Funds are used to account for assets held by the City in a trustee capacity as an agent for individuals, other organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS

- a. General Fixed Assets Account Group - The General Fixed Assets Account Group is a self-balancing group of accounts used to establish accounting control over the fixed assets of the City.
- b. General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to record the outstanding long-term obligations not otherwise recorded in the Proprietary Funds.

COMPONENT UNIT FUND

The City of Corunna Downtown Development Authority component unit funds and account groups have been aggregated for presentation within the City General Purpose Financial Statements as one column on the Combined Balance Sheet and Combined Statement of Revenues, Expenditures, and Changes in Fund Balances. The detailed Annual Financial Statements of the City of Corunna Downtown Development Authority are available for public inspection at the Corunna City Hall.

- a. Special Revenue Fund - The Component Unit Special Revenue Fund is used to account for the proceeds of specific revenue and rent sources (tax increment financing and rent revenues) that are legally restricted to expenditures for specified purposes.
- b. General Fixed Assets Account Group - The Component Unit General Fixed Assets Account Group is a self-balancing group of accounts used to establish accounting control over the fixed assets of the component unit.
- c. General Long-Term Debt Account Group - The Component Unit General Long-Term Debt Account Group is used to establish accounting control and accountability for the unmatured principal on the unit's long-term debt.

5. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental, component unit, and similar trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet, except for the component unit funds which, with discrete presentation, includes an amount available and an amount payable related to a commercial loan. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current and long-term assets.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

5. Measurement Focus - continued

All proprietary and similar trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Balance Sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

There is no measurement focus for the agency fund since assets equal liabilities.

6. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental, agency, and component unit funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both "measurable" and "available to finance expenditures of the current period"). Revenues which are considered measurable, but not available, are recorded as a receivable and deferred revenue. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

The proprietary and similar trust funds are accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and the expenses are recognized when they are incurred.

7. Budgets and Budgetary Accounting

The General, Special Revenue, and Debt Service Funds' budgets shown in the financial statements were prepared on a basis consistent with the modified accrual basis used to reflect actual results. Budgets were not properly adopted for the Historical Commission (Special Revenue) Fund and the Building Authority (Debt Service) Fund as required by generally accepted accounting principles. The City employs the following procedures in establishing the budgetary data reflected in the financial statements.

- a. On the council meeting nearest but no later than the third Monday in May, the City Manager submits to City Council the proposed operating budgets for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and resources to finance them.
- b. A Public Hearing is conducted to obtain taxpayers' comments.
- c. Prior to July 1, the budget is legally adopted with passage by Council vote.
- d. The budget is legally adopted at the activity level for the General Fund and total expenditure level for the Special Revenue and Debt Service Funds; however, they are maintained at the account level for control purposes.
- e. The City does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. Appropriations unused at June 30 are not carried forward to the following fiscal year.
- f. Budgeted amounts are reported as originally adopted or amended by the City Council during the year. Individual amendments were appropriately approved by the City Council as required.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**8. Cash, Cash Equivalents, and Investments**

The City pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest bearing securities and disclosed as part of the City's investments. Cash equivalents consist of temporary investments in mutual funds and certificates of deposit with original maturities of 90 days or less.

Investments include deferred compensation fund securities and certificates of deposit with an original maturities of greater than 90 days from the date of purchase. All certificates of deposit are stated at cost, which approximates market value. The deferred compensation fund securities are stated at market value.

**9. Property Tax**

The City of Corunna bills and collects its own property taxes and also taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph.

Property taxes are levied by the City of Corunna on July 1 and December 1 and are payable without penalty through September 15 and February 14, respectively. The July 1 levy is composed of the City's millage, special assessments, and the school taxes. The December 1 levy is composed of county and schools taxes. All real property taxes not paid to the City by March 1 are turned over to the Shiawassee County Treasurer for collection.

The Shiawassee County Treasurer purchases the receivables of all taxing districts on any delinquent real property taxes. Delinquent personal property taxes are retained by the City for subsequent collection. Collections and remittances of all taxes are accounted for in the Current Tax Collections Agency Fund. City property tax revenues are recognized as revenues in the fiscal year levied.

The City is permitted to levy taxes up to 15 mills (\$15 per \$1,000 of taxable valuation) for general governmental services other than the payment of Debt Service Fund expenses and up to an additional five (5) mills (\$5 per \$1,000 of taxable valuation) for City Public Improvements. For the year ended June 30, 1997, the City levied 13.76 mills per \$1,000 of assessed valuation for general governmental services and five (5) mills for City Public Improvements. The total Taxable Value for the 1996 levy for property within the City was \$34,815,336.

**10. Advances to Component Units**

Long-term advances from some funds to component unit funds are made to finance new activities during their initial operations. The applicable fund balance is reserved for such advances to reflect the amount of fund balance not currently available for expenditure.

**11. Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers.

The Internal Service Fund (Motor Pool) records charges for equipment rental to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**12. Compensated Absences**

City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days. Employees are not paid for accumulated sick leave. All employees with accumulated unused vacation pay at June 30, 1997 were vested and the total due to them, along with the related payroll taxes, is recorded entirely in the General Long-Term Debt Account Group.

**13. Fixed Assets and Long-Term Liabilities**

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources".

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in a General Fixed Assets Account Group, rather than in the governmental funds. The general fixed assets are recorded as expenditures at the time of purchase in the governmental fund types. Fixed assets with a unit cost of \$1,500 or greater are capitalized in the General Fixed Asset Account Group.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components.

Long-term liabilities expected to be financed from component unit funds are accounted for within the respective component unit fund to show proper primary government and component unit segregation of debt.

Fixed assets are recorded at cost, or if donated, at fair market value at the date of donation. Expenditures which materially extend the useful life of existing assets are capitalized. Public domain (infrastructure) general fixed assets which include roads, bridges, curbs and gutters, sidewalks, and drains are not capitalized.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets.

The estimated useful lives are:

Sewer and Water systems and improvements	10 - 40 years
Equipment	5 - 15 years

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**14. Treatment Rights**

The City of Corunna has contracted with the Owosso Township - Caledonia Township Utility Authority for the right to distribute wastewater through authority pipe to the City of Owosso for the treatment rights to treat its wastewater.

These rights are being amortized over the period of the related contract's liability.

**15. Comparative Data**

Comparative data for the prior year has been presented in some of the accompanying financial statements in order to provide an understanding of changes in financial position and operations.

**16. Total Columns on Combined Statements**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS**

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States. This subdivision shall include securities issued or guaranteed by the Government National Mortgage Association.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.156 of the Michigan Compiled Laws.
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase. Not more than 50% of any fund may be invested in commercial paper at any time.
4. The United States government or federal agency obligations repurchase agreements.
5. Bankers acceptances of United States banks.
6. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws do not allow collateralization of government deposits.

**Deposits**

As of June 30, 1997, the carrying amounts and bank balances for each type of bank account are as follows:

<u>Account Type</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Regular checking	\$ 98,645	\$ 74,864
Money market checking	1,874	1,874
Savings and certificates of deposit	<u>969,180</u>	<u>969,180</u>
	<u>\$ 1,069,699</u>	<u>\$ 1,045,918</u>

Deposits of the City are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the City. As of June 30, 1997, the City accounts were insured by the FDIC for \$536,607, and the amount of \$509,311 was uninsured and uncollateralized.

**Investments**

As of June 30, 1997, the carrying amounts and market values for the investment is as follows:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Uncategorized pooled investment funds	<u>\$ 770,945</u>	<u>\$ 770,945</u>

As of June 30, 1997, the City had investments amounting to \$17,164 within two (2) mutual funds, (Dean Witter U.S. Government Money Market Trust and Dean Witter Liquid Asset Fund), which were comprised of obligations issued or guaranteed as to principal and interest by the U.S. government, its agencies, or instrumentalities. As part of these mutual funds, there are investments in the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Home Loan Banks, Tennessee Valley Authority, and other U.S. government agencies securities which do not appear to comply with the Michigan Compiled Laws Section 129.91 as amended.

Due to significantly higher cash flow at certain periods during the year, the amount the City held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year-end.

Deferred compensation is deposited with the Public Employees Benefit Service Corporation (PEBSCO), which is administered by the United State Conference of Mayors (USCM). Investments are directed by participants into money market funds, fixed interest accounts, and mutual stock and bond funds. As of June 30, 1997, the market value which is the carrying amount of the deferred compensation plan assets is \$41,710. The deferred compensation plan assets include uninsured and registered investments for which the securities are held by the insurance carrier's trust department but not in the City's name.



City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED**

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the combined balance sheet, based upon criteria disclosed in Note A. The following summarizes the categorization of these amounts as of June 30, 1997:

Cash and cash equivalents	\$ 1,663,746
Cash and cash equivalents - restricted	31,136
Investments	<u>187,472</u>
	<u>\$ 1,882,354</u>

The amounts identified above include General Fund restricted cash of \$11,389 as of June 30, 1997 to be used to fund retirement benefits in the future and Enterprise (Sewer System) Fund restricted cash of \$19,747 as of June 30, 1997 to be used to fund Sewer System improvements.

**NOTE C: INTERFUND RECEIVABLES AND PAYABLES**

The amount of interfund receivables and payables at June 30, 1997, are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General		General	
Water System	\$ 295	Motor Pool	\$ 3,000
Stu Coultts Recreation	1,441		
Trust and Agency	<u>10,481</u>		
	12,217	Special Revenue	
Special Revenue		Major Street	
Local Street		Local Street	6,482
Major Street	6,482	Sewer System	15,505
H.U.D. Grant		Softball Commission	
Sewer system	4,769	Motor Pool	4,900
City Improvements		Stu Coultts Recreation	
1996 G.O. Limited Tax Bonds	17,755	General	<u>1,441</u>
Trust and agency	<u>732</u>		28,328
	<u>18,487</u>	Debt Service	
	29,738	1996 G.O. Limited Tax Bonds	
Capital Projects		City Improvements	17,755
1996 Construction		Enterprise	
Sewer	48,600	Sewer System	
Enterprise		H.U.D. Grant	4,769
Sewer System		1996 Construction	<u>48,600</u>
Local Street	15,505		53,369

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE C: INTERFUND RECEIVABLES AND PAYABLES - CONTINUED**

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
Internal Service		Water System	
Motor Pool		General Fund	\$ 295
General Fund	\$ 3,000		53,664
Corunna Softball		Trust and Agency	
Commission	4,900	Current Tax	
	<u>7,900</u>	Collections	
		General Fund	10,481
		City Improvements	<u>732</u>
			<u>11,213</u>
	\$ <u>113,960</u>		\$ <u>113,960</u>

**NOTE D: ADVANCES RECEIVABLE AND PAYABLE**

On July 6, 1993, the City of Corunna (primary government) loaned the Downtown Development Authority (component unit) \$250,000 which was used to construct the Corunna City Center. The amount is due in fifteen (15) annual installments, including interest at 4 percent, commencing on August 20, 1998 through August 30, 2007. Interest does not begin to accrue until August 20, 1998. The City, pursuant to the May 2, 1994 subordination agreement, agreed to forego any payments on this advance until the commercial loan with Old Kent Bank is paid in full.

In May, 1994, the City of Corunna (primary government) loaned the Downtown Development Authority (component unit) \$50,000 which was used to complete the Corunna City Center project. The amount is due in annual installments commencing in May 1999 in the sum of \$10,000 plus annual interest on the unpaid balance at a rate of .5 percent under the prime rate. The Downtown Development Authority (component unit) has made principal payments totaling \$30,000 plus accrued interest in the current year and prior years, ahead of schedule.

The following summarizes the outstanding balances of advances receivable and payable at June 30, 1997:

<u>Fund</u>	<u>Advance To</u>	<u>Fund</u>	<u>Advance From</u>
Special Revenue Funds		Component Unit Funds	
H.U.D. Grant		Downtown Development	
Component Unit Fund		Authority	
Downtown Development		Special Revenue Funds	
Authority	\$ 245,231	H.U.D.	\$ 245,231
Economic Development		Economic Development	<u>20,000</u>
Component Unit Fund			
Downtown Development			
Authority	<u>20,000</u>		
	\$ <u>265,231</u>		\$ <u>265,231</u>

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE E: LONG-TERM CONTRACTS RECEIVABLE**

The City has several loans to individuals and businesses made through the Economic Development Fund. The amounts attributable to these long-term contracts receivable have been recorded in the Economic Development (Special Revenue) Fund as a contracts receivable and deferred revenue. The following is a summary of future annual revenue from debtors which currently have signed promissory notes with the City:

Years ending June 30,	
1998	\$ 102,355
1999	24,140
2000	24,140
2001	14,221
2002	<u>29,368</u>
	194,224
Less: interest	( <u>26,907</u> )
	<u>\$ 167,317</u>

**NOTE F: FIXED ASSETS**

A summary of Proprietary Fund Type fixed assets at June 30, 1997 follows:

PRIMARY GOVERNMENT

	Enterprise	Internal Service (Motor Pool)
Land	\$ 127	\$ -
System and improvements	3,030,254	-
Equipment	<u>80,000</u>	<u>510,373</u>
Total	3,110,381	510,373
Less: accumulated depreciation	( <u>1,495,013</u> )	( <u>375,838</u> )
Net fixed assets	<u>\$ 1,615,368</u>	<u>\$ 134,535</u>

The following schedule summarizes the changes in components of the General Fixed Assets Account Group:

PRIMARY GOVERNMENT

	Restated Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Land, buildings, and improvements	\$ 2,018,575	\$ -	\$ -	\$ 2,018,575
Vehicles and equipment	<u>451,186</u>	<u>17,747</u>	<u>-</u>	<u>468,933</u>
	<u>\$ 2,469,761</u>	<u>\$ 17,747</u>	<u>\$ -0-</u>	<u>\$ 2,487,508</u>

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE F: FIXED ASSETS - CONTINUED**

COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Land	\$ 27,000	\$ -	\$ -	\$ 27,000
Parking lot	39,748	2,423	-	42,171
Building	<u>685,276</u>	<u>3,087</u>	<u>-</u>	<u>688,363</u>
	<u>\$ 752,024</u>	<u>\$ 5,510</u>	<u>\$ -0-</u>	<u>\$ 757,534</u>

**NOTE G: LONG-TERM DEBT**

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 1997:

	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
<b>PRIMARY GOVERNMENT</b>				
General Long-Term Debt				
1996 G.O. Public				
Improvement Bonds	\$ -	\$ 870,000	\$ -	\$ 870,000
Comstock Street Loan	22,857	-	5,715	17,142
Michigan Bond Loan Fund	16,100	-	4,840	11,260
1985 Michigan Local				
Project Loan	102,166	-	30,790	71,376
Fire Truck Loan	10,729	-	10,729	-0-
Capital lease	-	6,750	750	6,000
Accumulated Vacation	<u>31,164</u>	<u>-</u>	<u>3,183</u>	<u>27,981</u>
	183,016	876,750	56,007	1,003,759
<b>Enterprise Funds</b>				
Sewer System Fund				
Improvement Bonds - 1980	335,000	-	10,000	325,000
Improvement Bonds - 1996	550,000	-	20,000	530,000
Loans payable	29,152	-	12,009	17,143
Contracts payable	136,260	-	27,940	108,320
Capital lease	60,111	-	13,514	46,597
Water Fund				
General Obligation Bonds	<u>600,000</u>	<u>-</u>	<u>25,000</u>	<u>575,000</u>
	1,710,523	-0-	108,463	1,602,060
<b>Internal Service Fund</b>				
Capital Lease	<u>7,172</u>	<u>-</u>	<u>7,172</u>	<u>-0-</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	1,900,711	876,750	171,642	2,605,819
<b>COMPONENT UNIT FUND</b>				
Downtown Development Authority				
Loan payable	<u>402,509</u>	<u>-</u>	<u>11,948</u>	<u>390,561</u>
	<u>\$ 2,303,220</u>	<u>\$ 876,750</u>	<u>\$ 183,590</u>	<u>\$ 2,996,380</u>

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE G: LONG-TERM DEBT - CONTINUED**

Significant details regarding outstanding long-term debt (including current portion) are presented below:

**PRIMARY GOVERNMENT**

Loans Payable

\$80,000 Comstock Street loan dated August 7, 1992, due in annual installments of \$11,428 through July 1, 1999, with interest at 5.14 percent, payable semi-annually. This loan is split between the Local Street Special Revenue and the Sewer System Enterprise Funds, \$17,142 and \$17,143, respectively. \$ 34,285

\$50,000 1984 Michigan Bond Loan Fund loan dated July 5, 1984, due in annual installments ranging from \$5,350 to \$5,910 through June 1, 1999, with interest at 5.0 percent, payable annually. 11,260

\$310,000 1985 Michigan Local Projects Loan dated June 6, 1985, due in annual installments ranging from \$33,952 to \$37,424 through June 1, 1999, with interest at 10.22 percent, payable annually. 71,376

Contracts Payable

\$253,000 1978 City of Owosso contract payable dated June 1, 1978 due in annual installments ranging from \$18,400 to \$23,000 through April 1, 2001, with interest at 7.25 percent, payable annually. 82,800

\$36,000 1980 City of Owosso contract payable dated September 1, 1980 due in annual principal installments of \$1,840 through June 1, 2000. 5,520

\$199,000 1978 Owosso-Caledonia Township Utility Authority contract payable dated December 1, 1978, due in annual installments of \$10,000 through December 1, 1998, with interest at 5.0 percent, payable annually. 20,000

General Obligation Bonds

\$870,000 1996 County of Shiawassee, City of Corunna Public Improvement Bonds dated September 1, 1996, due in annual installments ranging from \$65,000 to \$110,000 through September 1, 2006, with interest ranging from 4.0 to 5.3 percent, payable semi-annually. 870,000

\$700,000 1992 Shiawassee County, City of Corunna Water Supply System Improvement Bonds dated May 1, 1991, due in annual installments ranging from \$25,000 to \$50,000 through May 1, 2011, with interest ranging from 5.00 to 6.25 percent, payable annually. 575,000

Revenue Bonds

\$550,000 1996 Wastewater Treatment System Revenue Bonds dated February 1, 1997, due in annual installments ranging from \$15,000 to \$40,000 through November 1, 2015, with interest ranging from 4.3 to 8.0 percent, payable annually. 530,000

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE G: LONG-TERM DEBT - CONTINUED**

**PRIMARY GOVERNMENT - CONTINUED**

\$420,000 USDA-FmHA Sewer Revenue Bonds dated August 15, 1980, due in annual installments ranging from \$10,000 to \$20,000 through August 1, 2019, with interest at 5.0 percent, payable annually.

\$ 325,000

**TOTAL PRIMARY GOVERNMENT**

**2,525,241**

**COMPONENT UNIT**

\$420,000 Downtown Development Authority bank promissory note dated May 3, 1994, due in monthly payments of \$3,009 the first of each month including monthly interest on the unpaid balance at 6.0 percent.

\$ 390,561

\$ 2,915,802

**Capital Leases - Primary Government**

The City has entered into a lease purchase agreement to finance the acquisition of a copier. The lease agreement qualifies as a capital lease for accounting purposes (title transfers at end of lease term at bargain price) and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The cost of equipment acquired under the lease purchase agreement amounted to \$6,750.

Commitments under this lease agreement provide for minimum annual payments as follows:

Years ending  
June 30,

1998  
1999  
2000

\$ 3,447  
3,447  
1,723

8,617

Less: amount representing interest

( 2,617 )

Present value of minimum lease payments

\$ 6,000

The City has entered into a lease purchase agreement to finance the acquisition of a sewer vector, for which the liability is recorded in the Sewer System Fund. The lease agreement qualifies as a capital lease for accounting purposes (title transfers at end of lease term at bargain price) and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The cost of equipment acquired under the lease purchase agreement amounted to \$80,000.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE G: LONG-TERM DEBT - CONTINUED**

Commitments under this lease agreement provide for minimum annual payments as follows:

<u>Years ending June 30,</u>	
1998	\$ 17,490
1999	17,490
2000	<u>17,489</u>
	52,469
Less: amount representing interest	( 5,872 )
Present value of minimum lease payments	<u>\$ 46,597</u>

**Accrued Vacation**

Individual employees have vested rights upon termination of employment to receive payments for unused vacation. The dollar amount of these vested rights including related payroll taxes, which have been accrued on the financial statements in the General Long-Term Debt Account Group, amounted to approximately \$27,981 at June 30, 1997.

The annual requirements to pay the debt principal and interest outstanding for the bonds and contracts are as follows:

<u>Year Ending June 30,</u>	<u>Loans Payable</u>	<u>Contracts Payable</u>	<u>General Obligation Bonds</u>	<u>Revenue Improvements Bonds</u>	<u>Total</u>
1998	\$ 97,700	\$ 35,958	\$ 164,415	\$ 68,783	\$ 366,856
1999	97,099	34,354	160,516	67,083	359,052
2000	48,124	27,600	166,318	65,382	307,324
2001	36,108	24,380	166,377	69,065	295,930
2002	36,108	-	166,144	67,705	269,957
2003-2007	180,540	-	924,300	348,715	1,453,555
2008-2012	180,540	-	231,150	357,815	769,505
2013-2017	88,524	-	-	279,525	368,049
2018-2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,375</u>	<u>59,375</u>
	764,743	122,292	1,979,120	1,383,448	4,249,603
Less: interest	( 257,261 )	( 13,972 )	( 534,120 )	( 528,448 )	( 1,333,801 )
	<u>\$ 507,482</u>	<u>\$ 108,320</u>	<u>\$ 1,445,000</u>	<u>\$ 855,000</u>	<u>\$ 2,915,802</u>

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE H: RETIREMENT PLAN****Plan Description**

The City contributes to the Michigan Municipal Employees Retirement System (the "System") as an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental entities in the State of Michigan. The City's payroll for employees covered by the System for the year ended December 31, 1996 was \$395,506 which approximated total payroll.

All full-time City employees are eligible to participate in the System. City employees who retire at or after age 50 with 25 years of credited service or age 55 with 15 years of credited service or after age 60 with 10 years of credited service are entitled to annual retirement benefits in an amount equal to 2.5% of final average compensation, computed over five years, with a maximum benefit of 80% of final average compensation. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City Ordinance.

City employees are required to contribute 0% of their salary to the system. The City is required to contribute the remaining amounts necessary to fund the System using the actuarial basis specified by statute.

**Funding Status and Progress**

The amount shown below as the "pension benefits obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is called the "actuarial present value of credited projected benefits" and is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and allow for comparisons among public employee retirement plans. The measure is independent of the funding method used to determine contributions to the plan.

The pension benefits obligation was determined as part of an actuarial valuation performed as of December 31, 1996, which is the latest valuation available. Significant actuarial assumptions used in determining the pension obligation earned include (a) a rate of return on the investment of present and future assets of 8% per year compounded annually, (b) projected salary increases of 5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 4.2% per year, depending on age, attributable to seniority/merit, and (d) the assumption benefits will increase 2.5% per year (annually) after retirement.

At January 1, 1997, the unfunded pension benefit obligation was \$636,154 determined as follows:

<b>Pension benefit obligation</b>	
Retirees and beneficiaries currently receiving benefits	\$ 914,426
Terminated employees not yet receiving benefits	30,161
<b>Current employees:</b>	
Accumulated employee contributions including allocated investment income	58,064
Employer financed, vested	799,210
Employer financed, nonvested	<u>58,685</u>
Total pension benefit obligation	1,860,546
Net assets available for benefits, at cost (market value of \$1,415,152)	<u>1,224,392</u>
Unfunded Pension Benefit Obligation	<u>\$ 636,154</u>



City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE H: RETIREMENT PLAN - CONTINUED**

During the plan year December 31, 1996, the plan experienced a net change of \$234,826 in the pension benefit obligation. The combined change in the pension benefit obligation resulting from benefit changes, if any, and revisions in actuarial assumptions is \$0.

**Actuarially Determined Contribution Requirements and Contributions Made**

The system's funding policy provides for actuarially determined periodic contributions at rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rate for normal cost is determined using an attained age actuarial cost method of valuation. Unfunded accrued liabilities are amortized as a level percent of payroll over a period of 30 future years.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation as described above.

During the year ended June 30, 1997, contributions amounted to \$55,716 in accordance with contribution requirements determined by the actuarial valuation of the plan as of December 31, 1994. During the two (2) years ended June 30, 1996 and 1995, contributions amounted to \$33,356 and \$39,860 respectively.

The effect of changes in actuarial assumptions or methods affecting the December 31, 1994 actuarial valuation and the effect of changes in benefit provisions, if any, on the computed employer contribution was not computed.

**Trend Information**

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten-year trend information may be found in the City's annual actuarial valuation report. For the two (2) plan years ended December 1996 and 1995, available assets were sufficient to fund 66% and 68% of the pension benefits earned. For the plan years ended December 1996 and 1995, net assets (less than) the pension benefits obligation were (161%) and (138%), respectively, of the covered annual payroll. In addition, for the two (2) years ended June 30, 1996 and 1995, the City's contributions to the system, all made in accordance with actuarially determined requirements, were 6% and 9% respectively, of annual covered payroll.

**NOTE I: DEFERRED COMPENSATION PLAN**

The City of Corunna offers its employees a deferred compensation plan sponsored by the United States Conference of Mayors (USCM) which is a compensation plan created in accordance with IRC Section #457. The plan, available to all City employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

The City's deferred compensation program is administered by the United States Conference of Mayors (USCM) through the Public Employees Benefit Services Corporation (PEBSO). The property and rights held under the City deferred compensation plan are reported in an Agency Fund at market value under the caption "Investments".

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are, until made available to the employee or other beneficiary, solely the property and rights of the City without being restricted to the provisions of benefits under the plan, subject only to the claims of the City of Corunna's general creditors. Participants' rights created under the plan are equivalent to those of general creditors of the City of Corunna and only in an amount equal to the fair market value of the deferred account maintained with respect to each participant.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE I: DEFERRED COMPENSATION PLAN - CONTINUED**

The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors. It is the opinion of the City of Corunna that the City has no liability for losses under the plan but does have the duty of care that would be required of an ordinary prudent investor.

**NOTE J: SEGMENT INFORMATION**

The City operates the Sewer System and Water System utilities providing services to the various City residents. Segment information for the fiscal year ending June 30, 1997, is as follows:

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
Operating revenues	\$ 450,584	\$ 412,316	\$ 862,900
Operating expenses			
Depreciation and amortization	81,337	42,800	124,137
Other	275,001	250,149	525,150
Operating income	94,246	119,367	213,613
Net income (loss)	( 75,027 )	107,120	32,093
Contributed capital	2,044,109	95,789	2,139,898
Net working capital	309,287	481,933	791,220
Total assets	3,240,183	1,191,611	4,431,794
Long-term liabilities			
Loans payable	11,428	-	11,428
Contracts payable	78,080	-	78,080
Capital lease payable	32,120	-	32,120
General obligation bonds payable	-	550,000	550,000
Revenue improvement bonds payable	830,000	-	830,000
Total equity	2,131,193	586,380	2,717,573

**NOTE K: EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Michigan Public Act 621 of 1978, Sections 18 and 19, as amended, provides that a local governmental unit not incur expenditures in excess of the amounts appropriated.

In the body of the combined financial statements, the City's budgeted expenditures in the General, Special Revenue, and Debt Service Funds have been shown at the functional classification level. The approved budgets of the City have been adopted at the activity level for the General Fund and the total expenditure level for the Special Revenue and Debt Service Funds.

During the year ended June 30, 1997, the City incurred expenditures in the General Fund, two (2) Special Revenue Funds, and one (1) Debt Service Fund in excess of the amounts appropriated as follows:

	<u>Appropriated</u>	<u>Amounts Expended</u>	<u>Amounts Variance</u>
General Fund			
General government			
Clerk	\$ 57,473	\$ 57,560	\$ 87
Hall and grounds	26,148	33,663	7,515
Special Revenue Funds			
Historical Commission	-	19,715	19,715
Softball Commission	35,967	36,835	868
Debt Service Fund			
Building Authority	-	1,717	1,717

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE L: FUND EQUITY RESERVES AND DESIGNATIONS**

Reserved fund balance and retained earnings are used to earmark a portion of fund equity to indicate that it is not appropriate for expenditures or has been legally segregated for a specific future use. Designated fund balance indicates that portion of the fund balance which the City has set aside for specific purposes.

The following are the various fund balance and retained earnings reserves as of June 30, 1997:

Fund Balance

General Fund	
Reserved for retirement benefits	\$ 11,389
Special Revenue	
Economic Development	
Reserved for advances to component units	20,000
H.U.D. Grant	
Reserved for advances to component units	<u>245,231</u>
	265,231
Debt Service Funds	
Fire Truck loan	
Reserved for debt service	18,501
1985 Loan program	
Reserved for debt service	910
1996 G.O. Limited Tax Bonds	
Reserved for debt service	<u>( 13,628 )</u>
	5,783
Fiduciary Funds	
Cemetery Perpetual Care	
Reserved for perpetual care	53,218
Fireworks	
Reserved for Fourth of July fireworks	<u>6,225</u>
	<u>59,443</u>
	<u>\$ 341,846</u>

Retained Earnings

Enterprise Funds

Sewer System Fund	
Reserved for bonds	52,155
Reserved for debt service	11,563
Reserved for replacement	<u>43,473</u>
	107,191
Water System Fund	
Reserved for replacement	<u>352,592</u>
	<u>\$ 459,783</u>

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE M: FUND DEFICITS**

The following funds had fund equity deficits at June 30, 1997:

	<u>Deficit</u>
Debt Service Funds	
1996 G.O. Limited Tax Bonds	\$ 13,628
Component Unit Funds	
Downtown Development Authority	268,331

**NOTE N: COMPONENT UNIT LONG-TERM OPERATING LEASES**

The component unit Downtown Development Authority (lessor) owns the Corunna City Center and has long-term lease contracts with various tenants.

The following is a summary of future annual rental revenue from the tenants which currently have non-cancelable lease agreements.

Year ending <u>June 30,</u>	
1998	\$ 42,684
1999	39,153
2000	38,513
2001	36,322
2002	<u>29,067</u>
	<u>\$ 185,739</u>

**NOTE O: POST-RETIREMENT HEALTH CARE BENEFITS**

In addition to providing pension benefits, the City provides certain health care benefits for employees who retire under the City's pension plan. All City employees may become eligible for those benefits if they reach the normal retirement age 50 with 25 years of credited service or age 55 with 15 years of credited service or after age 60 with 10 years of credited service with the City.

The cost of retiree health care benefits is recognized as an expenditure as insurance premiums are paid.

For the year ended June 30, 1997, three retirees received benefits. The costs for the year ended June 30, 1997 totaled \$11,799 and were paid from the General Fund.

**NOTE P: RISK MANAGEMENT**

The City participates in a pool, the Michigan Municipal Liability and Property Pool, with other municipalities for auto, property, liability, in-land marine, electronic data processing, crime and bonds, and boiler and machinery losses. The pool is organized under Public Act 138 of 1982, as amended. The City has no liability for additional assessments based on the claims filed against the pool nor do they have rights to dividends.

The City also participates in a pool, the Michigan Municipal Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. The City has no liability for additional assessments based on the claims filed against the pool nor do they have any rights to dividends.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1997

**NOTE Q: PRIOR PERIOD ADJUSTMENT**

The following prior period adjustment was made during the year which was the result of a correction of an accounting error. This adjustment was reported as a change to beginning fund balance. The effect of operations and other affected balances for the current and prior year are as follows:

	<u>1997</u>	June 30, <u>1996</u>	<u>Description</u>
Special Revenue Fund			
Softball Commission Fund			
Fund balance - beginning	\$ -	\$ 3,441	Correct previously
Investment - CD	-	3,441	unrecorded certificate
			of deposit

**NOTE R: CONTRACT COMMITMENTS**

The City has entered into various contracts related to constructing improvements to the Wastewater Treatment System that were not completed at June 30, 1997. The total contractual commitments outstanding at June 30, 1997 totaled \$130,194. The City has sufficient bond proceeds available to cover these commitments.

## **SUPPLEMENTAL FINANCIAL INFORMATION**

## City of Corunna

## General Fund

STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
REVENUES				
Taxes				
Property taxes	\$ 472,192	\$ 472,614	\$ 422	\$ 453,930
Industrial and commercial facilities	16,487	16,487	-0-	16,612
Total taxes	488,679	489,101	422	470,542
Licenses and permits				
Cable television license	11,925	11,925	-0-	10,643
Inspection fees	1,180	1,181	1	1,335
City licenses and permits	23,063	23,136	73	15,016
Total licenses and permits	36,168	36,242	74	26,994
Intergovernmental				
State				
Income tax	4,190	4,190	-0-	63,358
Sales tax	279,107	279,107	-0-	164,575
Single business tax	27,945	27,945	-0-	52,613
Personal inventory tax	11,162	11,162	-0-	12,784
Michigan justice training	500	566	66	467
Federal				
COPS grant	16,750	20,069	3,319	15,059
Total intergovernmental	339,654	343,039	3,385	308,856
Charges for services				
Fire protection - townships	77,770	66,763	(11,007)	50,756
Tax collection fees	22,000	22,016	16	18,230
Administration charges	108,000	108,076	76	100,266
Other fees	1,200	1,270	70	1,342
Total charges for services	208,970	198,125	(10,845)	170,594

## City of Corunna

## General Fund

STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
<b>REVENUES - CONTINUED</b>				
Fines and forfeits				
Parking	\$ 1,400	\$ 1,435	\$ 35	\$ 1,519
Ordinance	22,900	23,981	1,081	13,381
Total fines and forfeits	24,300	25,416	1,116	14,900
Interest and rents				
Interest	41,500	45,850	4,350	32,339
Rents	16,420	16,468	48	22,490
Total interest and rents	57,920	62,318	4,398	54,829
Special assessments				
Sidewalk and other	2,734	2,631	(103)	3,456
Other				
Reimbursements	1,000	13,757	12,757	7,237
Refunds	8,400	25,698	17,298	11,756
Contributions	-	710	710	4,976
Sale of fixed assets	-	-	-0-	4,757
Other	36,500	5,718	(30,782)	7,358
Total other	45,900	45,883	(17)	36,084
TOTAL REVENUES	1,204,325	1,202,755	(1,570)	1,086,255
<b>OTHER FINANCING SOURCES</b>				
Capital lease proceeds	-	6,750	6,750	-
Operating transfers in	-	-	-0-	7,189
TOTAL OTHER FINANCING SOURCES	-	6,750	6,750	7,189
TOTAL REVENUE AND OTHER FINANCING SOURCES	\$ 1,204,325	\$ 1,209,505	\$ 5,180	\$ 1,093,444



## City of Corunna

## General Fund

STATEMENT OF EXPENDITURES BY ACTIVITY AND OTHER FINANCING USES -  
BUDGET AND ACTUAL

Year Ended June 30, 1997

With Actual Amounts for Year Ended June 30, 1996

	Amended Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
EXPENDITURES				
Legislative				
Council, boards, and commissions	\$ 6,521	\$ 6,510	\$ 11	\$ 5,855
General government				
City Manager	59,951	57,127	2,824	38,584
Treasurer/Assessor	67,948	65,151	2,797	45,353
Clerk	57,473	57,560	(87)	37,653
Internal services	45,477	43,402	2,075	25,269
Legal services	26,300	25,219	1,081	13,490
Elections	4,000	3,887	113	5,993
City hall and grounds	26,148	33,663	(7,515)	31,323
City services	47,450	45,331	2,119	43,944
Total general government	334,747	331,340	3,407	241,609
Public safety				
Police department	305,090	303,728	1,362	190,352
Crossing guard	1,599	1,522	77	1,353
Fire department	98,090	94,415	3,675	75,785
Zoning	14,950	14,357	593	14,005
Planning commission	4,250	3,941	309	2,507
Total public safety	423,979	417,963	6,016	284,002
Public Works				
General services	190,122	183,944	6,178	92,589
Storm drain program	46,500	45,365	1,135	-
Sidewalk program	1,000	306	694	11,232
Total public works	237,622	229,615	8,007	103,821
Recreation and cultural				
Parks maintenance	54,100	52,250	1,850	53,209
Community promotion	7,325	7,102	223	10,596
Historical village	8,364	6,610	1,754	5,605
Casino building	54,227	53,584	643	11,936
Total recreation and cultural	124,016	119,546	4,470	81,346

## City of Corunna

## General Fund

STATEMENT OF EXPENDITURES BY ACTIVITY AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

	Amended Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
EXPENDITURES - CONTINUED				
Other				
Insurance	\$ 11,600	\$ 11,557	\$ 43	\$ 35,332
Fringe benefits	12,027	12,003	24	217,248
Total other	23,627	23,560	67	252,580
TOTAL EXPENDITURES	1,150,512	1,128,534	21,978	969,213
OTHER FINANCING USES				
Operating transfers out				
Cemetery Fund	7,813	7,813	-0-	18,750
Library Fund	26,000	26,000	-0-	24,000
Fire Truck Fund	12,000	12,000	-0-	12,000
1985 Debt Fund	5,000	5,000	-0-	5,000
Building Authority	-	-	-0-	9,000
Fourth of July Commission	3,000	3,000	-0-	3,000
TOTAL OTHER FINANCING USES	53,813	53,813	-0-	71,750
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 1,204,325	\$ 1,182,347	\$ 21,978	\$ 1,040,963

City of Corunna

Special Revenue Funds

COMBINING BALANCE SHEET

June 30, 1997

	Major <u>Street</u>	Local <u>Street</u>	<u>Cemetery</u>	<u>Library</u>	Historical <u>Commission</u>	Softball <u>Commission</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 80,181	\$ 19,941	\$ 15,699	\$ 28,370	\$ 5,610	\$ 8,069
Investments	-	-	-	-	-	-
Receivables						
Special assessment	-	8,560	-	-	-	-
Contracts	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Inventory	-	-	-	-	-	1,758
Due from other funds	-	6,482	-	-	-	-
Due from other governmental units						
State	19,243	7,057	-	-	-	-
Local	-	-	-	5,114	-	-
Advances to component units	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u><u>\$ 99,424</u></u>	<u><u>\$ 42,040</u></u>	<u><u>\$ 15,699</u></u>	<u><u>\$ 33,484</u></u>	<u><u>\$ 5,610</u></u>	<u><u>\$ 9,827</u></u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 1,251	\$ 969	\$ 916	\$ 1,476	\$ 50	\$ 26
Accrued wages	219	378	195	569	-	-
Due to other funds	6,482	15,505	-	-	-	4,900
Deferred revenue	-	8,000	-	-	-	-
<b>TOTAL LIABILITIES</b>	7,952	24,852	1,111	2,045	50	4,926
<b>FUND BALANCES</b>						
Reserved for advances to component units	-	-	-	-	-	-
Unreserved - undesignated	91,472	17,188	14,588	31,439	5,560	4,901
<b>TOTAL FUND BALANCES</b>	<u>91,472</u>	<u>17,188</u>	<u>14,588</u>	<u>31,439</u>	<u>5,560</u>	<u>4,901</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 99,424</u></u>	<u><u>\$ 42,040</u></u>	<u><u>\$ 15,699</u></u>	<u><u>\$ 33,484</u></u>	<u><u>\$ 5,610</u></u>	<u><u>\$ 9,827</u></u>

<u>Fourth of July Commission</u>	<u>Stu Coutts Recreation</u>	<u>Asset Seizure</u>	<u>Economic Develop- ment</u>	<u>H.U.D. Grant</u>	<u>Heritage Park</u>	<u>Library Building</u>	<u>City Improve- ments</u>	<u>Total</u>
\$ 9,076	\$ 53,774	\$ 52	\$ 65,928	\$ 1	\$ 885	\$ 13,632	\$ 146,693	\$ 447,911
-	-	-	89,548	-	-	-	-	89,548
-	-	-	-	-	-	-	-	8,560
-	-	-	167,317	-	-	-	-	167,317
-	-	-	1,814	-	-	-	-	1,814
-	-	-	-	-	-	-	-	1,758
-	-	-	-	4,769	-	-	18,487	29,738
-	-	-	-	-	-	-	-	26,300
-	-	-	-	-	-	-	-	5,114
-	-	-	20,000	245,231	-	-	-	265,231
<u>\$ 9,076</u>	<u>\$ 53,774</u>	<u>\$ 52</u>	<u>\$ 344,607</u>	<u>\$ 250,001</u>	<u>\$ 885</u>	<u>\$ 13,632</u>	<u>\$ 165,180</u>	<u>\$ 1,043,291</u>
\$ 529	\$ 1,307	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,524
-	35	-	-	-	-	-	-	1,396
-	1,441	-	-	-	-	-	-	28,328
-	-	-	167,317	-	-	-	-	175,317
529	2,783	-0-	167,317	-0-	-0-	-0-	-0-	211,565
-	-	-	20,000	245,231	-	-	-	265,231
8,547	50,991	52	157,290	4,770	885	13,632	165,180	566,495
8,547	50,991	52	177,290	250,001	885	13,632	165,180	831,726
<u>\$ 9,076</u>	<u>\$ 53,774</u>	<u>\$ 52</u>	<u>\$ 344,607</u>	<u>\$ 250,001</u>	<u>\$ 885</u>	<u>\$ 13,632</u>	<u>\$ 165,180</u>	<u>\$ 1,043,291</u>

City of Corunna

Special Revenue Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Year ended June 30, 1997

	Major <u>Street</u>	Local <u>Street</u>	<u>Cemetery</u>	<u>Library</u>	Historical <u>Commission</u>	Softball <u>Commission</u>
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	113,874	41,764	-	17,113	-	-
Charges for services	-	-	13,160	468	-	-
Fines and forfeits	-	-	-	16,070	-	-
Interest and rents	1,199	-	-	614	5,961	42
Special assessments	-	9,120	-	-	-	-
Other revenues	-	3,535	-	-	5,035	37,469
<b>TOTAL REVENUES</b>	<b>115,073</b>	<b>54,419</b>	<b>13,160</b>	<b>34,265</b>	<b>10,996</b>	<b>37,511</b>
<b>EXPENDITURES</b>						
Highways and streets	91,514	67,701	-	-	-	-
Health and welfare	-	-	20,183	-	-	-
Recreation and cultural	-	-	-	56,284	19,715	36,835
Public safety	-	-	-	-	-	-
Other	-	-	-	-	-	-
Debt service	-	13,533	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>91,514</b>	<b>81,234</b>	<b>20,183</b>	<b>56,284</b>	<b>19,715</b>	<b>36,835</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>23,559</b>	<b>(26,815)</b>	<b>(7,023)</b>	<b>(22,019)</b>	<b>(8,719)</b>	<b>676</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	49,079	7,813	26,000	-	-
Operating transfers out	(58,416)	(16,000)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(58,416)</b>	<b>33,079</b>	<b>7,813</b>	<b>26,000</b>	<b>-0-</b>	<b>-0-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(34,857)</b>	<b>6,264</b>	<b>790</b>	<b>3,981</b>	<b>(8,719)</b>	<b>676</b>
Fund balances, beginning of year	126,329	10,924	13,798	27,458	14,279	784
Prior period adjustment	-	-	-	-	-	3,441
<b>Fund balances, end of year</b>	<b>\$ 91,472</b>	<b>\$ 17,188</b>	<b>\$ 14,588</b>	<b>\$ 31,439</b>	<b>\$ 5,560</b>	<b>\$ 4,901</b>

<u>Fourth of July Commission</u>	<u>Stu Coutts Recreation</u>	<u>Asset Seizure</u>	<u>Economic Develop- ment</u>	<u>H.U.D. Grant</u>	<u>Heritage Park</u>	<u>Library Building</u>	<u>City Improve- ments</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,070	\$ 180,070
-	-	-	-	-	-	-	-	172,751
-	-	-	-	-	-	-	-	13,628
-	-	-	-	-	-	-	-	16,070
-	4,851	-	6,936	-	-	648	-	20,251
-	-	-	-	-	-	-	-	9,120
9,488	-	-	65,065	-	-	210	-	120,802
9,488	4,851	-0-	72,001	-0-	-0-	858	180,070	532,692
-	-	-	-	-	-	-	-	159,215
-	-	-	-	-	-	-	-	20,183
7,130	6,641	-	-	-	6	-	-	126,611
-	-	120	-	-	-	-	-	120
-	-	-	65,000	-	-	-	-	65,000
-	-	-	-	-	-	-	-	13,533
7,130	6,641	120	65,000	-0-	6	-0-	-0-	384,662
2,358	(1,790)	(120)	7,001	-0-	(6)	858	180,070	148,030
3,000	-	-	-	-	-	-	-	85,892
-	-	-	-	-	-	-	(14,890)	(89,306)
3,000	-0-	-0-	-0-	-0-	-0-	-0-	(14,890)	(3,414)
5,358	(1,790)	(120)	7,001	-0-	(6)	858	165,180	144,616
3,189	52,781	172	170,289	250,001	891	12,774	-	683,669
-	-	-	-	-	-	-	-	3,441
\$ 8,547	\$ 50,991	\$ 52	\$ 177,290	\$ 250,001	\$ 885	\$ 13,632	\$ 165,180	\$ 831,726

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

Major Street

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
REVENUES				
Intergovernmental - State				
Gas and weight tax	\$ 113,283	\$ 113,874	\$ 591	\$ 114,419
Interest	1,100	1,199	99	-
TOTAL REVENUES	114,383	115,073	690	114,419
EXPENDITURES				
Highways and streets				
Construction				
Contracted services	50,000	48,030	1,970	1,440
Routine maintenance				
Salaries and wages	1,159	1,128	31	3,998
Fringe benefits	3,055	2,318	737	2,923
Contractual services	18,300	15,404	2,896	4,022
Supplies	2,700	451	2,249	2,058
Equipment rental	1,000	751	249	4,384
Total routine maintenance	26,214	20,052	6,162	17,385
Traffic services				
Salaries and wages	681	210	471	634
Fringe benefits	235	175	60	468
Contractual services	2,300	2,229	71	287
Supplies	548	452	96	1,993
Equipment rental	1,000	-	1,000	302
Total traffic services	4,764	3,066	1,698	3,684
Winter maintenance				
Salaries and wages	5,660	5,296	364	3,354
Fringe benefits	5,310	4,678	632	2,456
Contractual services	100	-	100	240
Supplies	7,600	7,550	50	5,661
Equipment rental	3,000	2,842	158	2,871
Total winter maintenance	21,670	20,366	1,304	14,582

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

Major Street

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
TOTAL EXPENDITURES	<u>102,648</u>	<u>91,514</u>	<u>11,134</u>	<u>37,091</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 11,735	\$ 23,559	\$ 11,824	\$ 77,328
OTHER FINANCING SOURCES				
Operating transfers in	-	-	-0-	37,608
Operating transfers out	<u>(58,416)</u>	<u>(58,416)</u>	<u>-0-</u>	<u>(47,833)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(58,416)</u>	<u>(58,416)</u>	<u>-0-</u>	<u>(10,225)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(46,681)	(34,857)	11,824	67,103
Fund balance, beginning of year	<u>126,329</u>	<u>126,329</u>	<u>-0-</u>	<u>59,226</u>
Fund balance, end of year	<u>\$ 79,648</u>	<u>\$ 91,472</u>	<u>\$ 11,824</u>	<u>\$ 126,329</u>



City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

Local Street

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
<b>REVENUES</b>				
Intergovernmental - State				
Gas and weight tax	\$ 39,878	\$ 41,764	\$ 1,886	\$ 42,009
Special assessments	9,120	9,120	-0-	13,570
Other	3,535	3,535	-0-	100
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	52,533	54,419	1,886	55,679
<b>EXPENDITURES</b>				
Highways and streets				
Construction				
Contracted services	27,970	27,942	28	-
Routine maintenance				
Salaries and wages	5,764	5,618	146	7,259
Fringe benefits	5,136	5,007	129	5,139
Contractual services	-	-	-0-	80
Supplies	5,000	3,997	1,003	6,477
Equipment rental	9,000	8,106	894	12,170
	<hr/>	<hr/>	<hr/>	<hr/>
Total routine maintenance	24,900	22,728	2,172	31,125
Traffic services				
Salaries and wages	580	807	(227)	599
Fringe benefits	560	514	46	453
Contractual services	50	46	4	24
Supplies	25	-	25	268
Equipment rental	50	39	11	230
	<hr/>	<hr/>	<hr/>	<hr/>
Total traffic services	1,265	1,406	(141)	1,574
Winter maintenance				
Salaries and wages	4,596	4,523	73	2,745
Fringe benefits	2,994	2,915	79	1,965
Contractual services	-	-	-0-	120
Supplies	7,000	5,193	1,807	2,290
Equipment rental	3,340	2,994	346	3,557
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City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

Local Street

	Amended Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
Total winter maintenance	17,930	15,625	2,305	10,677
Total highways and streets	72,065	67,701	4,364	43,376
Debt service				
Principal retirement	10,555	10,555	-0-	10,094
Interest and fiscal charges	2,971	2,978	(7)	3,701
Total debt service	13,526	13,533	(7)	13,795
TOTAL EXPENDITURES	85,591	81,234	4,357	57,171
EXCESS OF REVENUES (UNDER) EXPENDITURES	(33,058)	(26,815)	6,243	(1,492)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	49,079	49,079	-0-	27,000
Operating transfers out	(16,000)	(16,000)	-0-	(16,000)
TOTAL FINANCING SOURCES (USES)	33,079	33,079	-0-	11,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	21	6,264	6,243	9,508
Fund balance, beginning of year	10,924	10,924	-0-	1,416
Fund balance, end of year	10,945	17,188	\$ 6,243	\$ 10,924

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

Cemetery

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
REVENUES				
Charges for services	\$ 12,485	\$ 13,160	\$ 675	\$ 16,060
EXPENDITURES				
Health and welfare				
Salaries and wages	6,130	6,086	44	9,757
Fringe benefits	3,690	3,660	30	-
Administrative charges	1,880	1,851	29	3,727
Supplies	1,370	1,363	7	642
Contractual services	960	960	-0-	-
Utilities	162	130	32	193
Equipment rental	6,105	6,133	(28)	13,964
TOTAL EXPENDITURES	<u>20,297</u>	<u>20,183</u>	<u>114</u>	<u>28,283</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(7,812)	(7,023)	789	(12,223)
OTHER FINANCING SOURCES				
Operating transfers in	<u>7,813</u>	<u>7,813</u>	<u>-0-</u>	<u>18,750</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	1	790	789	6,527
Fund balance, beginning of year	<u>13,798</u>	<u>13,798</u>	<u>-0-</u>	<u>7,271</u>
Fund balance, end of year	<u>\$ 13,799</u>	<u>\$ 14,588</u>	<u>\$ 789</u>	<u>\$ 13,798</u>

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

Library

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
<b>REVENUES</b>				
Intergovernmental				
State	\$ 6,445	\$ 6,350	\$ (95)	\$ 6,899
Local	10,763	10,763	-0-	10,308
Charges for services	500	468	(32)	535
Fines and forfeits	14,481	16,070	1,589	13,775
Interest	500	614	114	582
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	32,689	34,265	1,576	32,099
<b>EXPENDITURES</b>				
Recreation and cultural				
Salaries and wages	32,600	30,363	2,237	28,539
Fringe benefits	4,157	3,931	226	-
Administrative charges	215	204	11	-
Contractual services	4,373	4,955	(582)	7,271
Supplies	18,200	13,506	4,694	6,558
Utilities	2,310	2,363	(53)	2,347
Communication	1,000	723	277	894
Equipment rental	100	14	86	14
Miscellaneous	400	225	175	114
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	63,355	56,284	7,071	45,737
EXCESS OF REVENUES (UNDER) EXPENDITURES	(30,666)	(22,019)	8,647	(13,638)
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	26,000	26,000	-0-	24,000
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(4,666)	3,981	8,647	10,362
Fund balance, beginning of year	27,458	27,458	-0-	17,096
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 22,792</u>	<u>\$ 31,439</u>	<u>\$ 8,647</u>	<u>\$ 27,458</u>

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

Historical Commission

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
REVENUES				
Interest and rents	\$ -	\$ 5,961	\$ 5,961	\$ 4,749
Other				
Dues and contributions	-	2,954	2,954	5,712
Fundraising	-	2,081	2,081	3,960
TOTAL REVENUES	-0-	10,996	10,996	14,421
EXPENDITURES				
Recreation and cultural				
Fundraising	-	158	(158)	1,187
Office supplies	-	72	(72)	12,031
Repairs and maintenance	-	16,697	(16,697)	567
Janitorial services	-	1,545	(1,545)	177
Reimbursements	-	139	(139)	446
Utilities	-	1,056	(1,056)	575
Miscellaneous	-	48	(48)	-
TOTAL EXPENDITURES	-0-	19,715	(19,715)	14,983
EXCESS OF REVENUES (UNDER) EXPENDITURES	-0-	(8,719)	(8,719)	(562)
Fund balance, beginning of year	14,279	14,279	-0-	14,841
Fund balance, end of year	\$ 14,279	\$ 5,560	\$ (8,719)	\$ 14,279

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

Softball Commission

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
REVENUES				
Interest	-	\$ 42	\$ 42	\$ 40
Other				
Fees	30,085	29,875	(210)	36,120
Concessions	5,000	3,833	(1,167)	4,895
Shirt sales	350	203	(147)	678
Advertising	-	2,100	2,100	4,275
Parking fees	750	241	(509)	261
Sale of fixed assets	-	120	120	-
Refunds and reimbursements	-	-	-0-	170
Field rental	-	-	-0-	776
Donations	-	635	635	1,362
Miscellaneous	1,200	462	(738)	309
TOTAL REVENUES	37,385	37,511	126	48,886
EXPENDITURES				
Recreation and cultural				
Contractual services	24,297	23,231	1,066	28,152
Registration and fees	1,700	2,545	(845)	4,766
Advertising signs	-	-	-0-	2,525
Supplies	2,323	3,707	(1,384)	2,261
Concession supplies	2,700	2,354	346	2,713
Awards	1,540	1,745	(205)	464
Telephone	585	540	45	584
Insurance	200	200	-0-	200
Miscellaneous	1,622	2,240	(618)	2,515
Equipment	1,000	273	727	-
TOTAL EXPENDITURES	35,967	36,835	(868)	44,180
EXCESS OF REVENUES OVER EXPENDITURES	1,418	676	(742)	4,706
Fund balance (deficit), beginning of year	784	784	\$ -0-	(3,922)
Prior period adjustment	-	3,441	\$ 3,441	-
Fund balance, end of year	<u>\$ 2,202</u>	<u>\$ 4,901</u>	<u>\$ 2,699</u>	<u>\$ 784</u>

## City of Corunna

## Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

Fourth of July Commission

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
REVENUES				
Other				
Festivities	\$ -	\$ 7,993	\$ -	\$ 5,450
Contributions		1,495		2,615
TOTAL REVENUES	9,700	9,488	(212)	8,065
EXPENDITURES				
Recreation and cultural				
Festivities	7,450	5,551	1,899	11,591
Seminars and dues	500	736	(236)	351
Office supplies	1,500	818	682	428
Fundraising	2,000	25	1,975	-
TOTAL EXPENDITURES	11,450	7,130	4,320	12,370
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,750)	2,358	4,108	(4,305)
OTHER FINANCING SOURCES				
Operating transfers in	3,000	3,000	-0-	3,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	1,250	5,358	4,108	(1,305)
Fund balance, beginning of year	3,189	3,189	-0-	4,494
Fund balance, end of year	<u>\$ 4,439</u>	<u>\$ 8,547</u>	<u>\$ 4,108</u>	<u>\$ 3,189</u>

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
<u>Stu Coutts Recreation</u>				
REVENUES				
Interest and rents	\$ 4,000	\$ 4,851	\$ 851	\$ 4,737
EXPENDITURES				
Recreation and cultural				
Salaries and wages	1,100	1,030	70	1,561
Fringe benefits	141	125	16	-
Administrative charges	505	505	-0-	789
Contractual services	220	220	-0-	232
Supplies	1,400	652	748	826
Utilities	3,500	3,492	8	3,398
Equipment rental	620	617	3	1,031
Miscellaneous	230	-	230	-
TOTAL EXPENDITURES	<u>7,716</u>	<u>6,641</u>	<u>1,075</u>	<u>7,837</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(3,716)	(1,790)	1,926	(3,100)
Fund balance, beginning of year	<u>52,781</u>	<u>52,781</u>	\$ -0-	\$ 55,881
Fund balance, end of year	<u>\$ 49,065</u>	<u>\$ 50,991</u>	<u>\$ 1,926</u>	<u>\$ 52,781</u>
<u>Asset Seizure</u>				
REVENUES				
Fines and forfeits	\$ 120	\$ -	\$ (120)	\$ 172
EXPENDITURES				
Public safety				
Supplies	<u>120</u>	<u>120</u>	<u>-0-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(120)	(120)	172
Fund balance, beginning of year	<u>172</u>	<u>172</u>	\$ -0-	\$ -
Fund balance, end of year	<u>\$ 172</u>	<u>\$ 52</u>	<u>\$ (120)</u>	<u>\$ 172</u>



City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
<u>Economic Development</u>				
REVENUES				
Interest	\$ 3,000	\$ 6,936	\$ 3,936	\$ 3,453
Other				
Loan repayment	75,083	65,065	(10,018)	89,643
Miscellaneous	-	-	-0-	133
TOTAL REVENUES	78,083	72,001	(6,082)	\$ 93,229
EXPENDITURES				
Other				
Loans	65,000	65,000	-0-	55,400
EXCESS OF REVENUES OVER EXPENDITURES	13,083	7,001	(6,082)	37,829
Fund balance, beginning of year	170,289	170,289	\$ -0-	\$ 132,460
Fund balance, end of year	<u>\$ 183,372</u>	<u>\$ 177,290</u>	<u>\$ (6,082)</u>	<u>\$ 170,289</u>
<u>H.U.D. GRANT</u>				
REVENUES	\$ -	\$ -	\$ -0-	\$ -
EXPENDITURES	-	-	-0-	-
EXCESS OF REVENUES OVER EXPENDITURES	-0-	-0-	-0-	-0-
Fund balance, beginning of year	250,001	250,001	\$ -0-	\$ 250,001
Fund balance, end of year	<u>\$ 250,001</u>	<u>\$ 250,001</u>	<u>\$ -0-</u>	<u>\$ 250,001</u>

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
<u>Heritage Park</u>				
REVENUES	\$ -	\$ -	\$ -0-	\$ -
EXPENDITURES				
Recreation and cultural				
Salaries and wages	200	-	200	-
Fringe benefits	15	-	15	-
Supplies	200	6	194	205
	<u>415</u>	<u>6</u>	<u>409</u>	<u>205</u>
TOTAL EXPENDITURES	<u>415</u>	<u>6</u>	<u>409</u>	<u>205</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(415)	(6)	409	(205)
Fund balance, beginning of year	<u>891</u>	<u>891</u>	<u>\$ -0-</u>	<u>\$ 1,096</u>
Fund balance, end of year	<u>\$ 476</u>	<u>\$ 885</u>	<u>\$ 409</u>	<u>\$ 891</u>

Library Building

REVENUES				
Interest	\$ 450	\$ 648	\$ 198	\$ 682
Other	-	210	210	-
	<u>450</u>	<u>858</u>	<u>408</u>	<u>682</u>
TOTAL REVENUES	<u>450</u>	<u>858</u>	<u>408</u>	<u>682</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	450	858	408	682
Fund balance, beginning of year	<u>12,774</u>	<u>12,774</u>	<u>\$ -0-</u>	<u>\$ 12,092</u>
Fund balance, end of year	<u>\$ 13,224</u>	<u>\$ 13,632</u>	<u>\$ 408</u>	<u>\$ 12,774</u>

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

City Improvements

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
REVENUES				
Taxes	\$ 174,100	\$ 180,070	\$ 5,970	\$ -
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	174,100	180,070	5,970	-0-
OTHER FINANCING USES				
Operating transfers out	<u>(14,890)</u>	<u>(14,890)</u>	<u>-0-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	159,210	165,180	5,970	-0-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 159,210</u>	<u>\$ 165,180</u>	<u>\$ 5,970</u>	<u>\$ -0-</u>

City of Corunna

Debt Service Funds

COMBINING BALANCE SHEET

June 30, 1997

	Fire Truck <u>Loan</u>	1985 Loan <u>Program</u>	1996 G.O. Limited <u>Tax Bonds</u>	Building Authority	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 18,501	\$ 910	\$ 4,127	\$ 1,874	\$ 25,412
Investments	-	-	-	22,260	22,260
Accrued interest receivable	-	-	-	168	168
<b>TOTAL ASSETS</b>	<u>\$ 18,501</u>	<u>\$ 910</u>	<u>\$ 4,127</u>	<u>\$ 24,302</u>	<u>\$ 47,840</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ 17,755	\$ -	\$ 17,755
<b>FUND BALANCES</b>					
Reserved for debt service	18,501	910	(13,628)	-	5,783
Unreserved-undesignated	-	-	-	24,302	24,302
<b>TOTAL FUND BALANCES</b>	<u>18,501</u>	<u>910</u>	<u>(13,628)</u>	<u>24,302</u>	<u>30,085</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 18,501</u>	<u>\$ 910</u>	<u>\$ 4,127</u>	<u>\$ 24,302</u>	<u>\$ 47,840</u>

City of Corunna

Debt Service Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

Year Ended June 30, 1997

	Fire Truck <u>Loan</u>	1985 Loan <u>Program</u>	1996 G.O. Limited <u>Tax Bonds</u>	Building Authority	<u>Total</u>
REVENUES					
Interest	\$ 791	\$ -	\$ 406	\$ 1,140	\$ 2,337
EXPENDITURES					
Other	-	-	-	1,717	1,717
Debt service					
Principal redemption	10,729	30,790	-	-	41,519
Interest and fiscal charges	779	11,047	21,145	-	32,971
	<u>11,508</u>	<u>41,837</u>	<u>21,145</u>	<u>1,717</u>	<u>76,207</u>
TOTAL EXPENDITURES					
	11,508	41,837	21,145	1,717	76,207
EXCESS OF REVENUES (UNDER) EXPENDITURES	(10,717)	(41,837)	(20,739)	(577)	(73,870)
OTHER FINANCING SOURCES					
Accrued interest	-	-	3,721	-	3,721
Operating transfers in	12,000	41,837	3,390	-	57,227
	<u>12,000</u>	<u>41,837</u>	<u>7,111</u>	<u>-0-</u>	<u>60,948</u>
TOTAL OTHER FINANCING SOURCES					
	12,000	41,837	7,111	-0-	60,948
EXCESS OF REVENUES AND AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	1,283	-0-	(13,628)	(577)	(12,922)
Fund balances, beginning of year	17,218	910	-	24,879	43,007
Fund balances, end of year	<u>\$ 18,501</u>	<u>\$ 910</u>	<u>\$ (13,628)</u>	<u>\$ 24,302</u>	<u>\$ 30,085</u>

City of Corunna

Debt Service Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

Fire Truck Loan

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
REVENUES				
Interest	\$ 600	\$ 791	\$ 191	\$ 840
EXPENDITURES				
Debt service				
Principal redemption	10,730	10,729	1	9,704
Interest and fiscal charges	<u>779</u>	<u>779</u>	<u>-0-</u>	<u>1,461</u>
TOTAL EXPENDITURES	<u>11,509</u>	<u>11,508</u>	<u>1</u>	<u>11,165</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(10,909)	(10,717)	192	(10,325)
OTHER FINANCING SOURCES				
Operating transfers in	<u>12,000</u>	<u>12,000</u>	<u>-0-</u>	<u>12,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	1,091	1,283	192	1,675
Fund balance, beginning of year	<u>17,218</u>	<u>17,218</u>	<u>-0-</u>	<u>15,543</u>
Fund balance, end of year	<u>\$ 18,309</u>	<u>\$ 18,501</u>	<u>\$ 192</u>	<u>\$ 17,218</u>

City of Corunna

Debt Service Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

1985 Loan Program

	Amended Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES				
Other	\$ -	\$ -	\$ -0-	\$ -
EXPENDITURES				
Debt service				
Principal redemption	30,790	30,790	-0-	27,938
Interest and fiscal charges	11,047	11,047	-0-	13,895
TOTAL EXPENDITURES	41,837	41,837	-0-	41,833
EXCESS OF REVENUES (UNDER) EXPENDITURES	(41,837)	(41,837)	-0-	(41,833)
OTHER FINANCING SOURCES				
Operating transfers in	41,837	41,837	-0-	41,833
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-0-	-0-	-0-	-0-
Fund balance, beginning of year	910	910	-0-	910
Fund balance, end of year	\$ 910	\$ 910	\$ -0-	\$ 910

City of Corunna

Debt Service Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

1996 G.O. Limited Tax Bonds

	Amended <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
REVENUES				
Interest	\$ 360	\$ 406	\$ 46	\$ -
EXPENDITURES				
Debt service				
Interest and fiscal charges	<u>21,150</u>	<u>21,145</u>	<u>5</u>	<u>-</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(20,790)	(20,739)	51	-0-
OTHER FINANCING SOURCES				
Accrued interest	17,400	3,721	(13,679)	-
Operating transfers in	<u>3,390</u>	<u>3,390</u>	<u>-0-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>20,790</u>	<u>7,111</u>	<u>(13,679)</u>	<u>-0-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (UNDER) EXPENDITURES	-0-	(13,628)	(13,628)	-0-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -0-</u>	<u>\$ (13,628)</u>	<u>\$ (13,628)</u>	<u>\$ -0-</u>



City of Corunna

Debt Service Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1997  
With Actual Amounts for Year Ended June 30, 1996

Building Authority

	<u>Budget</u>	<u>1997 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1996 Actual</u>
REVENUES				
Interest	\$ -	\$ 1,140	\$ 1,140	\$ 1,389
EXPENDITURES				
Other				
Miscellaneous	-	1,717	(1,717)	165
Debt service				
Principal redemption	-	-	-0-	9,000
Interest and fiscal charges	-	-	-0-	482
TOTAL EXPENDITURES	-0-	1,717	(1,717)	9,647
EXCESS OF REVENUES (UNDER) EXPENDITURES	-0-	(577)	(577)	(8,258)
OTHER FINANCING SOURCES				
Operating transfers in	-	-	-0-	9,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	-0-	(577)	(577)	742
Fund balance, beginning of year	24,879	24,879	-0-	24,137
Fund balance, end of year	<u>\$ 24,879</u>	<u>\$ 24,302</u>	<u>\$ (577)</u>	<u>\$ 24,879</u>

City of Corunna  
Enterprise Funds  
COMBINING BALANCE SHEET

June 30, 1997

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 309,114	\$ 494,699	\$ 803,813
Cash and cash equivalents- restricted	19,747	-	19,747
Accounts receivable	120,687	42,216	162,903
Accrued interest receivable	1,596	249	1,845
Due from other funds	15,505	-	15,505
	<hr/>	<hr/>	<hr/>
Total current assets	466,649	537,164	1,003,813
Other assets			
Treatment rights	555,164	-	555,164
Accumulated amortization	(432,410)	-	(432,410)
	<hr/>	<hr/>	<hr/>
Net treatment rights	122,754	-0-	122,754
Construction in progress	1,689,859	-	1,689,859
	<hr/>	<hr/>	<hr/>
Total other assets	1,812,613	-0-	1,812,613
Fixed assets			
Equipment	80,000	-	80,000
Land	1	126	127
System and improvements	2,011,657	1,018,597	3,030,254
Accumulated depreciation	(1,130,737)	(364,276)	(1,495,013)
	<hr/>	<hr/>	<hr/>
Total fixed assets, net of accumulated depreciation	960,921	654,447	1,615,368
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 3,240,183	\$ 1,191,611	\$ 4,431,794
	<hr/>	<hr/>	<hr/>

## City of Corunna

## Enterprise Funds

## COMBINING BALANCE SHEET - CONTINUED

June 30, 1997

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 14,068	\$ 23,803	\$ 37,871
Accrued wages	65	491	556
Due to other funds	53,369	295	53,664
Accrued interest payable	14,428	5,642	20,070
Current portion of long-term debt	<u>75,432</u>	<u>25,000</u>	<u>100,432</u>
Total current liabilities	157,362	55,231	212,593
Other liabilities			
Loans payable	11,428	-	11,428
Contracts payable	78,080	-	78,080
Capital lease payable	32,120	-	32,120
General obligation bond payable	-	550,000	550,000
Revenue improvement bond payable	<u>830,000</u>	<u>-</u>	<u>830,000</u>
Total other liabilities	<u>951,628</u>	<u>550,000</u>	<u>1,501,628</u>
<b>TOTAL LIABILITIES</b>	<b>1,108,990</b>	<b>605,231</b>	<b>1,714,221</b>
<b>FUND EQUITY</b>			
Contribution in aid of construction			
Other governmental units	292,308	-	292,308
Other funds	54,134	-	54,134
Taxpayers	1,697,667	95,789	1,793,456
Retained earnings			
Reserved for bonds	52,155	-	52,155
Reserved for debt service	11,563	-	11,563
Reserved for replacement	43,473	352,592	396,065
Unreserved	<u>(20,107)</u>	<u>137,999</u>	<u>117,892</u>
<b>TOTAL FUND EQUITY</b>	<b><u>2,131,193</u></b>	<b><u>586,380</u></b>	<b><u>2,717,573</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 3,240,183</u></b>	<b><u>\$ 1,191,611</u></b>	<b><u>\$ 4,431,794</u></b>

## City of Corunna

## Enterprise Funds

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN RETAINED EARNINGS

Year Ended June 30, 1997

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services			
User charges	\$ 365,708	\$ 320,926	\$ 686,634
Tap in fees	15,625	21,775	37,400
Capital charges	69,146	62,100	131,246
Other	105	7,515	7,620
	<hr/>	<hr/>	<hr/>
<b>TOTAL OPERATING     REVENUES</b>	450,584	412,316	862,900
<b>OPERATING EXPENSES</b>			
Salaries and wages	28,190	45,440	73,630
Fringe benefits	18,106	18,905	37,011
Administrative charges	3,650	3,650	7,300
Contractual service	41,018	11,963	52,981
Supplies	6,172	28,339	34,511
Utilities	7,463	8,888	16,351
Treatment costs	157,801	126,719	284,520
Repairs and maintenance	9,125	-	9,125
Equipment rental	3,435	5,985	9,420
Other	41	260	301
Depreciation	54,216	42,800	97,016
Amortization	27,121	-	27,121
	<hr/>	<hr/>	<hr/>
<b>TOTAL OPERATING     EXPENSES</b>	356,338	292,949	649,287
<b>OPERATING INCOME</b>	94,246	119,367	213,613
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest revenue	15,460	8,403	23,863
Rent revenue	448	14,600	15,048
Interest expense	(56,156)	(34,850)	(91,006)
Paying agent fees	(425)	(400)	(825)
	<hr/>	<hr/>	<hr/>
<b>TOTAL NONOPERATING     REVENUES (EXPENSES)</b>	(40,673)	(12,247)	(52,920)

City of Corunna

Enterprise Funds

COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS - CONTINUED

Year Ended June 30, 1997

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
INCOME BEFORE TRANSFERS	\$ 53,573	\$ 107,120	\$ 160,693
TRANSFERS OUT			
Transfers out	<u>(128,600)</u>	<u>-</u>	<u>(128,600)</u>
NET INCOME (LOSS)	(75,027)	107,120	32,093
Retained earnings, beginning of year	<u>162,111</u>	<u>383,471</u>	<u>545,582</u>
Retained earnings, end of year	<u>\$ 87,084</u>	<u>\$ 490,591</u>	<u>\$ 577,675</u>

City of Corunna

Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 1997

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 94,246	\$ 119,367	\$ 213,613
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	81,337	42,800	124,137
(Increase) decrease in accounts receivable	(8,831)	7,155	(1,676)
(Increase) decrease in accrued interest receivable	(1,269)	180	(1,089)
Increase in due to other funds	48,600	-	48,600
Increase (decrease) in accounts payable	(83,074)	9,911	(73,163)
Increase (decrease) in accrued liabilities	(50)	46	(4)
(Decrease) in accrued interest payable	(9,025)	(199)	(9,224)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>121,934</b>	<b>179,260</b>	<b>301,194</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Rent revenue	448	14,600	15,048
Transfers out	(128,600)	-	(128,600)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(128,152)</b>	<b>14,600</b>	<b>(113,552)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Interest expense	(56,156)	(34,850)	(91,006)
Capital purchases	(103,704)	(9,926)	(113,630)
Paying agent fees	(425)	(400)	(825)
Payment of borrowing	(83,464)	(25,000)	(108,464)
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(243,749)</b>	<b>(70,176)</b>	<b>(313,925)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest revenue	15,460	8,403	23,863

City of Corunna

Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

Year ended June 30, 1997

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING YEAR	(234,507)	132,087	(102,420)
Cash and cash equivalents, beginning of year	<u>563,367</u>	<u>362,612</u>	<u>925,979</u>
Cash and cash equivalents, end of year	<u>\$ 328,860</u>	<u>\$ 494,699</u>	<u>\$ 823,559</u>

Note: For the year ended June 30, 1997 the Enterprise (Sewer System) Fund recorded an increase to Construction in Progress of \$1,155,495 and Contributed Capital - Taxpayers of \$905,495 and Contributed Capital - Other Governmental Units of \$250,000 as a result of construction costs related to sewer improvements projects. These expenditures are reported in the Capital Projects (Public Improvement) Fund.

## City of Corunna

## Enterprise Funds

## COMPARATIVE BALANCE SHEET - SEWER SYSTEM

June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 309,114	\$ 396,868
Cash and cash equivalents - restricted	19,747	166,499
Accounts receivable	120,687	111,856
Accrued interest receivable	1,596	327
Due from other funds	<u>15,505</u>	<u>15,505</u>
Total current assets	466,649	691,055
Other assets		
Treatment rights	555,164	529,657
Accumulated amortization	<u>(432,410)</u>	<u>(405,289)</u>
Net treatment rights	122,754	124,368
Construction in progress	<u>1,689,859</u>	<u>456,167</u>
Total other assets	1,812,613	580,535
Fixed assets		
Equipment	80,000	80,000
Land	1	1
System and improvements	2,011,657	2,011,657
Accumulated depreciation	<u>(1,130,737)</u>	<u>(1,076,521)</u>
Total fixed assets, net of accumulated depreciation	<u>960,921</u>	<u>1,015,137</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,240,183</u></u>	<u><u>\$ 2,286,727</u></u>



## City of Corunna

## Enterprise Funds

## COMPARATIVE BALANCE SHEET - SEWER SYSTEM - CONTINUED

June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable	14,068	97,142
Accrued wages	65	115
Due to other funds	53,369	4,769
Accrued interest payable	14,428	23,453
Current portion of long-term debt	<u>75,432</u>	<u>83,466</u>
Total current liabilities	157,362	208,945
Other liabilities		
Loans payable	11,428	17,141
Contracts payable	78,080	108,320
Capital lease payable	32,120	46,596
Revenue improvement bond payable	<u>830,000</u>	<u>855,000</u>
Total other liabilities	<u>951,628</u>	<u>1,027,057</u>
TOTAL LIABILITIES	1,108,990	1,236,002
FUND EQUITY		
Contribution in aid of construction		
Other governmental units	292,308	42,308
Other funds	54,134	54,134
Taxpayers	1,697,667	792,172
Retained earnings		
Reserved for bonds	52,155	46,431
Reserved for debt service	11,563	11,688
Reserved for replacement	43,473	102,327
Unreserved	<u>(20,107)</u>	<u>1,665</u>
TOTAL FUND EQUITY	<u>2,131,193</u>	<u>1,050,725</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,240,183</u>	<u>\$ 2,286,727</u>

City of Corunna

Enterprise Funds

COMPARATIVE STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN RETAINED EARNINGS - SEWER SYSTEM

Years Ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
OPERATING REVENUES		
Charges for services		
User charges	\$ 365,708	\$ 352,589
Tap in fees	15,625	4,000
Capital charges	69,146	62,569
Other	105	1,634
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	450,584	420,792
OPERATING EXPENSES		
Salaries and wages	28,190	35,986
Fringe benefits	18,106	1,458
Administrative charges	3,650	3,650
Contractual service	41,018	91,365
Supplies	6,172	4,933
Utilities	7,463	4,287
Treatment costs	157,801	152,904
Repairs and maintenance	9,125	7,644
Equipment rental	3,435	17,857
Other	41	-
Depreciation	54,216	54,215
Amortization	27,121	26,306
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	356,338	400,605
OPERATING INCOME	94,246	20,187
NONOPERATING REVENUES (EXPENSES)		
Accrued interest	-	1,143
Interest revenue	15,460	15,886
Rent revenue	448	11,405
Interest expense	(56,156)	(43,974)
Paying agent fees	(425)	-
Bond discount	-	(5,497)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(40,673)	(21,037)

City of Corunna

Enterprise Funds

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS - SEWER SYSTEM - CONTINUED

Years Ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
INCOME (LOSS) BEFORE TRANSFERS	\$ 53,573	\$ (850)
TRANSFERS OUT		
Transfer out	<u>(128,600)</u>	<u>-</u>
NET (LOSS)	(75,027)	(850)
Retained earnings, beginning of year	<u>162,111</u>	<u>162,961</u>
Retained earnings, end of year	<u>\$ 87,084</u>	<u>\$ 162,111</u>

City of Corunna

Enterprise Funds

COMPARATIVE STATEMENT OF CASH FLOWS - SEWER SYSTEM

Years Ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 94,246	\$ 20,187
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	81,337	80,521
(Increase) in accounts receivable	(8,831)	(15,645)
(Increase) decrease in accrued interest receivable	(1,269)	7,052
Decrease in special assessment receivable	-	162
Increase in due to other funds	48,600	-
Increase (decrease) in accounts payable	(83,074)	88,021
(Decrease) in accrued liabilities	(50)	(95)
Increase (Decrease) in accrued interest payable	<u>(9,025)</u>	<u>10,963</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>121,934</b>	<b>191,166</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Rent revenue	448	11,405
Transfers out	<u>(128,600)</u>	<u>-</u>
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(128,152)</b>	<b>11,405</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Bond proceeds	-	550,000
Accrued interest	-	1,143
Bond discount	-	(5,497)
Interest expense	(56,156)	(43,974)
Capital purchases	(103,704)	(456,167)
Paying agent fees	(425)	-
Payment of borrowing	<u>(83,464)</u>	<u>(59,840)</u>
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(243,749)</b>	<b>(14,335)</b>

City of Corunna

Enterprise Funds

COMPARATIVE STATEMENT OF CASH FLOWS - SEWER SYSTEM - CONTINUED

Years ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest revenue	<u>15,460</u>	<u>15,886</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING YEAR	(234,507)	204,122
Cash and cash equivalents, beginning of year	<u>563,367</u>	<u>359,245</u>
Cash and cash equivalents, end of year	<u>\$ 328,860</u>	<u>\$ 563,367</u>

Note: For the year ended June 30, 1997 the Enterprise (Sewer System) Fund recorded an increase to Construction in Progress of \$1,155,495 and Contributed Capital - Taxpayers of \$905,495 and Contributed Capital - Other Governmental Units of \$250,000 as a result of construction costs related to sewer improvements projects. These expenditures are reported in the Capital Projects (Public Improvement) Fund.

City of Corunna

Trust and Agency Funds

COMBINING BALANCE SHEET

June 30, 1997

	Trust Funds	
	<u>Nonexpendable</u>	<u>Expendable</u>
	Cemetery Perpetual Care	Fireworks
ASSETS		
Cash and equivalents	\$ 18,943	\$ 6,225
Investments	33,954	-
Accrued interest receivable	321	-
TOTAL ASSETS	<u>\$ 53,218</u>	<u>\$ 6,225</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Due to other funds	\$ -	\$ -
Due to individuals	-	-
Due to component unit	-	-
TOTAL LIABILITIES	-0-	-0-
FUND BALANCES		
Reserved for Perpetual care	53,218	-
Fourth of July fireworks	-	6,225
TOTAL FUND BALANCES	<u>53,218</u>	<u>6,225</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 53,218</u>	<u>\$ 6,225</u>

Agency Funds

<u>Current Tax Collection</u>	<u>Deferred Compensation</u>	<u>Total</u>
\$ 11,426	\$ -	\$ 36,594
-	41,710	75,664
-	-	321
<u>\$ 11,426</u>	<u>\$ 41,710</u>	<u>\$ 112,579</u>
\$ 11,213	\$ -	\$ 11,213
-	41,710	41,710
213	-	213
11,426	41,710	53,136
-	-	53,218
-	-	6,225
-0-	-0-	59,443
<u>\$ 11,426</u>	<u>\$ 41,710</u>	<u>\$ 112,579</u>

City of Corunna

Agency Funds

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended June 30, 1997

	Balance <u>July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 1997</u>
<u>Current Tax Collections Fund</u>				
ASSETS				
Cash	\$ 6,346	\$ 1,727,929	\$ 1,722,849	\$ 11,426
LIABILITIES				
Due to other funds				
General	\$ 6,133	\$ 517,738	\$ 513,390	\$ 10,481
Local	-	9,120	9,120	-0-
Water	-	9,144	9,144	-0-
City Improvement	-	180,070	179,338	732
Due to component unit				
Downtown Development Authority	213	25,365	25,365	213
Due to other governmental units				
State	-	43,241	43,241	-0-
County				
State Education Tax	-	188,222	188,222	-0-
Other	-	240,079	240,079	-0-
Schools	-	493,779	493,779	-0-
Other local governments	-	4,000	4,000	-0-
Due to individuals and agencies	-	17,171	17,171	-0-
	<u>\$ 6,346</u>	<u>\$ 1,727,929</u>	<u>\$ 1,722,849</u>	<u>\$ 11,426</u>

Deferred Compensation Fund

ASSETS				
Investments	\$ 25,571	\$ 18,298	\$ 2,159	\$ 41,710
LIABILITIES				
Due to individuals	\$ 25,571	\$ 18,298	\$ 2,159	\$ 41,710



## City of Corunna

## Component Unit Funds

COMBINING BALANCE SHEET - ALL FUND TYPES AND ACCOUNT  
GROUPS - DOWNTOWN DEVELOPMENT AUTHORITY

June 30, 1997

	Governmental	Account Groups		Total
	Fund Type	General	General Long-	
	Special	Fixed Assets	Term Debt	
	Revenue			
<b>ASSETS</b>				
Cash	\$ 5,759	\$ -	\$ -	\$ 5,759
Accounts receivable	3,485	-	-	3,485
Due from primary government	213	-	-	213
Fixed assets	-	757,534	-	757,534
Amount to be provided for retirement of general long-term debt	-	-	390,561	390,561
<b>TOTAL ASSETS</b>	<b>\$ 9,457</b>	<b>\$ 757,534</b>	<b>\$ 390,561</b>	<b>\$ 1,157,552</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 468	\$ -	\$ -	\$ 468
Due to individuals	3,323	-	-	3,323
Due to other primary governmental units - State	8,766	-	-	8,766
Advances from primary government	265,231	-	-	265,231
Loans payable	-	-	390,561	390,561
<b>TOTAL LIABILITIES</b>	<b>277,788</b>	<b>-</b>	<b>390,561</b>	<b>668,349</b>
<b>FUND EQUITY (DEFICIT)</b>				
Investment in general fixed assets	-	757,534	-	757,534
Unreserved - undesignated	(268,331)	-	-	(268,331)
<b>TOTAL FUND EQUITY (DEFICIT)</b>	<b>(268,331)</b>	<b>757,534</b>	<b>-0-</b>	<b>489,203</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 9,457</b>	<b>\$ 757,534</b>	<b>\$ 390,561</b>	<b>\$ 1,157,552</b>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

1996 County of Shiawassee, City of Corunna G.O. Public Improvement Bonds

Purpose: To defray the costs of acquiring and constructing additions and improvements to the City of Corunna's Water supply, sanitary sewer, and storm sewer system.

Issue: \$ 870,000

Dated: September 1, 1996

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
9/1/97	4.00	\$ 65,000	\$ 40,565	\$ 105,565
9/1/98	4.15	65,000	37,916	102,916
9/1/99	4.40	75,000	34,918	109,918
9/1/00	4.60	80,000	31,427	111,427
9/1/01	4.75	85,000	27,569	112,569
9/1/02	4.90	90,000	23,345	113,345
9/1/03	5.00	95,000	18,765	113,765
9/1/04	5.10	100,000	13,840	113,840
9/1/05	5.20	105,000	8,560	113,560
9/1/06	5.30	110,000	2,915	112,915
		<u>\$ 870,000</u>	<u>\$ 239,820</u>	<u>\$ 1,109,820</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

1992 Shiawassee County, City of Corunna Water Supply System Improvement Bonds

Purpose: To defray the cost of acquiring and constructing additions and improvements to the water system of the City of Corunna.

Issue: \$ 700,000

Dated: May 1, 1991

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
5/1/98	5.00	\$ 25,000	\$ 33,850	\$ 58,850
5/1/99	5.20	25,000	32,600	57,600
5/1/00	5.40	25,000	31,300	56,300
5/1/01	5.50	25,000	29,950	54,950
5/1/02	5.60	25,000	28,575	53,575
5/1/03	5.70	50,000	27,175	77,175
5/1/04	5.80	50,000	24,325	74,325
5/1/05	5.90	50,000	21,425	71,425
5/1/06	6.00	50,000	18,475	68,475
5/1/07	6.10	50,000	15,475	65,475
5/1/08	6.15	50,000	12,425	62,425
5/1/09	6.20	50,000	9,350	59,350
5/1/10	6.25	50,000	6,250	56,250
5/1/11	6.25	50,000	3,125	53,125
		<u>\$ 575,000</u>	<u>\$ 294,300</u>	<u>\$ 869,300</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

1996 Wastewater Treatment System Revenue Bonds

Purpose: To defray the cost of acquiring and constructing improvements to the wastewater treatment system of the City of Corunna.

Issue: \$ 550,000

Dated: February 1, 1996

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
11/1/97	8.00	\$ 15,000	\$ 27,783	\$ 42,783
11/1/98	8.00	15,000	26,583	41,583
11/1/99	5.45	15,000	25,382	40,382
11/1/00	4.30	20,000	24,565	44,565
11/1/01	4.40	20,000	23,705	43,705
11/1/02	4.50	20,000	22,825	42,825
11/1/03	4.60	20,000	21,925	41,925
11/1/04	4.70	25,000	21,005	46,005
11/1/05	4.80	25,000	19,830	44,830
11/1/06	4.90	25,000	18,630	43,630
11/1/07	5.00	30,000	17,405	47,405
11/1/08	5.10	30,000	15,905	45,905
11/1/09	5.20	35,000	14,375	49,375
11/1/10	5.30	35,000	12,555	47,555
11/1/11	5.35	40,000	10,700	50,700
11/1/12	5.35	40,000	8,560	48,560
11/1/13	5.35	40,000	6,420	46,420
11/1/14	5.35	40,000	4,280	44,280
11/1/15	5.35	40,000	2,140	42,140
		<u>\$ 530,000</u>	<u>\$ 324,573</u>	<u>\$ 854,573</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

USDA - FmHA Sewer Revenue Bonds

Purpose: To defray the cost of acquiring and constructing additions and improvements to the sanitary sewer system of the City of Corunna.

Issue: \$ 420,000

Dated: August 15, 1980

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
8/1/97	5.00	\$ 10,000	\$ 16,000	\$ 26,000
8/1/98	5.00	10,000	15,500	25,500
8/1/99	5.00	10,000	15,000	25,000
8/1/00	5.00	10,000	14,500	24,500
8/1/01	5.00	10,000	14,000	24,000
8/1/02	5.00	10,000	13,500	23,500
8/1/03	5.00	15,000	12,875	27,875
8/1/04	5.00	15,000	12,125	27,125
8/1/05	5.00	15,000	10,875	25,875
8/1/06	5.00	15,000	10,125	25,125
8/1/07	5.00	15,000	9,875	24,875
8/1/08	5.00	15,000	9,125	24,125
8/1/09	5.00	15,000	8,375	23,375
8/1/10	5.00	15,000	7,625	22,625
8/1/11	5.00	15,000	6,875	21,875
8/1/12	5.00	15,000	6,125	21,125
8/1/13	5.00	15,000	5,375	20,375
8/1/14	5.00	15,000	4,625	19,625
8/1/15	5.00	15,000	3,875	18,875
8/1/16	5.00	15,000	3,125	18,125
8/1/17	5.00	15,000	2,375	17,375
8/1/18	5.00	20,000	1,500	21,500
8/1/19	5.00	20,000	500	20,500
		<u>\$ 325,000</u>	<u>\$ 203,875</u>	<u>\$ 528,875</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

1984 Michigan Bond Loan Fund

Purpose: To defray the cost of constructing roadway improvements and paying capital costs for transportation purposes.

Issue: \$ 50,000

Dated: July 5, 1984

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
6/1/98	5.00	\$ 5,350	\$ 1,248	\$ 6,598
6/1/99	5.00	<u>5,910</u>	<u>686</u>	<u>6,596</u>
		<u>\$ 11,260</u>	<u>\$ 1,934</u>	<u>\$ 13,194</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

1985 Michigan Local Project Loan

Purpose: To defray the costs of constructing roadway improvements and paying capital costs for transportation purposes.

Issue: \$ 310,000

Dated: June 6, 1985

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
6/1/98	10.22	\$ 33,952	\$ 7,852	\$ 41,804
6/1/99	10.22	37,424	4,369	41,793
		<u>\$ 71,376</u>	<u>\$ 12,221</u>	<u>\$ 83,597</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

Comstock Street Loan

Purpose: To defray the costs of acquiring and constructing improvements to the street system of the City.

Issue: \$ 80,000

Dated: August 7, 1992

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
7/1/97	5.14	\$ 11,428	\$ 1,762	\$ 13,190
7/1/98	5.14	11,428	1,174	12,602
7/1/99	5.14	11,429	587	12,016
		<u>\$ 34,285</u>	<u>\$ 3,523</u>	<u>\$ 37,808</u>



City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

1978 City of Owosso - Contract Payable

Purpose: To finance payments for the City of Owosso wastewater treatment plant debt service agreement of August 17, 1977.

Issue: \$ 253,000

Dated: June 1, 1978

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
4/1/98	7.25	\$ 18,400	\$ 4,968	\$ 23,368
4/1/99	7.25	18,400	3,864	22,264
4/1/00	7.25	23,000	2,760	25,760
4/1/01	7.25	23,000	1,380	24,380
		<u>\$ 82,800</u>	<u>\$ 12,972</u>	<u>\$ 95,772</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

1980 City of Owosso - Contract Payable

Purpose: To finance payments for the City of Owosso wastewater treatment plant capital charges agreement of August 17, 1977.

Issue: \$ 36,000

Dated: September 1, 1980

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
6/1/98	0.00	\$ 1,840	\$ -	\$ 1,840
6/1/99	0.00	1,840	-	1,840
6/1/00	0.00	1,840	-	1,840
		<u>\$ 5,520</u>	<u>\$ -0-</u>	<u>\$ 5,520</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

1978 Owosso - Caledonia Township Utility Authority - Contract Payable

Purpose: To finance payments to the Authority for a project to construct additions and improvements to the sanitary sewer system used by the City of Corunna.

Issue: \$ 199,000

Dated: December 1, 1978

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
12/1/98	5.00	\$ 10,000	\$ 750	\$ 10,750
12/1/99	5.00	10,000	250	10,250
		<u>\$ 20,000</u>	<u>\$ 1,000</u>	<u>\$ 21,000</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

Sewer Vactor Capital Lease

Purpose: To finance the cost of acquiring a sewer vactor to be used as part of the sanitary sewer system.

Issue: \$ 70,000

Dated: August 15, 1994

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
8/15/97	7.00	\$ 14,477	\$ 3,013	\$ 17,490
8/15/98	7.00	15,508	1,982	17,490
8/15/99	7.00	16,612	877	17,489
		<u>\$ 46,597</u>	<u>\$ 5,872</u>	<u>\$ 52,469</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

Corunna Downtown Development Authority Commercial Loan

Purpose: To defray the cost of acquiring land and construction the City Center building.  
Repaying of loan is due in monthly installments.

Issue: \$ 420,000

Dated: May 3, 1994

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
7/97 - 6/98	6.00	\$ 13,078	\$ 23,030	\$ 36,108
7/98 - 6/99	6.00	13,885	22,223	36,108
7/99 - 6/2000	6.00	14,741	21,367	36,108
7/2000 - 6/01	6.00	15,650	20,458	36,108
7/01 - 6/02	6.00	16,615	19,493	36,108
7/02 - 6/03	6.00	17,640	18,468	36,108
7/03 - 6/04	6.00	18,728	17,380	36,108
7/04 - 6/05	6.00	19,883	16,225	36,108
7/05 - 6/06	6.00	21,110	14,998	36,108
7/06 - 6/07	6.00	22,412	13,696	36,108
7/07 - 6/08	6.00	23,794	12,314	36,108
7/08 - 6/09	6.00	25,261	10,847	36,108
7/09 - 6/10	6.00	26,820	9,288	36,108
7/10 - 6/11	6.00	28,474	7,634	36,108
7/11 - 6/12	6.00	30,230	5,878	36,108
7/12 - 6/13	6.00	32,094	4,014	36,108
7/13 - 6/14	6.00	34,074	2,034	36,108
7/14 - 11/14	6.00	16,072	236	16,308
		<u>\$ 390,561</u>	<u>\$ 239,583</u>	<u>\$ 630,144</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1997

Copier Capital Lease

Purpose: To finance the cost of acquiring a copier to be used by all City personnel.  
Payments of lesde are due in monthly installments.

Issue: \$ 6,750

Dated: December 17, 1996

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
7/97 - 6/98	30.00	\$ 1,882	\$ 1,565	\$ 3,447
7/98 - 6/99	30.00	2,536	911	3,447
7/99 - 12/99	30.00	1,582	141	1,723
		<u>\$ 6,000</u>	<u>\$ 2,617</u>	<u>\$ 8,617</u>

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**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and  
Members of City Council  
City of Corunna  
Corunna, Michigan

We have audited the general purpose financial statements of the City of Corunna as of and for the year ended June 30, 1997, and have issued our report thereon dated August 21, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the City of Corunna is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the combined financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the City of Corunna for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the combined financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. We noted the following reportable conditions.

## INVESTMENTS

As noted in the financial statements, the City has invested in a mutual fund comprised of obligations issued or guaranteed as to principal and interest by the U.S. government, its agencies or instrumentalities. Some of the investments within this mutual fund do not appear to comply with Michigan Compiled Laws Section 129.91 as amended. This issue was noted and reported in our audit comments last year.

We recommend the City contact the investment company to determine whether the mutual fund can be brought into compliance with Michigan law or remove the funds and place them in another investment which is in compliance with Michigan law.

## BUDGETS

As noted in the annual financial statements, the Building Authority (Debt Service) and Historical Commission (Special Revenue) Funds had not properly adopted budgets. This issue was noted and reported in our audit comments last year.

The Michigan Public Act 621 of 1978, as amended, provides that the City adopt formal budgets for the applicable General, Special Revenue, and Debt Service Funds, and shall not incur expenditures in excess of the amounts appropriated.

We recommend the City require the Building Authority and Historical Commission to formally adopt budgets.

A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the combined financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions referred to above are believed to be material weaknesses.

We also noted another matter involving the internal control structure and its operations that we have reported to the management of the City of Corunna in a separate letter dated August 21, 1997.

This report is intended solely for the information and use of management and City Council and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the City Council, is a matter of public record.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

August 21, 1997



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON THE  
AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and  
Members of the City Council  
City of Corunna  
Corunna, Michigan

We have audited the general purpose financial statements of the City of Corunna, Michigan as of and for the year ended June 30, 1997, and have issued our report thereon dated August 21, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Corunna is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests on the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended solely for the information of management and the City Council and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the City Council, is a matter of public record.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

August 21, 1997

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## MANAGEMENT LETTER

To the Honorable Mayor and  
Members of the City Council  
City of Corunna  
Corunna, Michigan

As you know, we have recently completed our audit of the records of the City of Corunna, Michigan as of and for the year ended June 30, 1997. In connection with the audit, we feel that certain changes in your accounting and administrative procedures would be helpful in improving management's control and the operational efficiency of the accounting and administrative functions. This suggestion is a result of our evaluation of the internal control structure and our discussions with management. As noted in our Report on the Internal Control Structure, dated August 21, 1997, this weakness was not considered a reportable condition in relation to the general purpose financial statements of the City of Corunna, Michigan but may be an area of possible improvement.

1. The process of determining rental charges being charged by the Motor Pool Fund should be reviewed.

During our analysis of the Motor Pool Fund charges charged to the various funds, we noted the amounts of these charges had significantly changed from the previous year. No specific reason could be determined as to the reason for this fluctuation or the accuracy of the method being used to determine these charges.

We suggest the City review the rental charge determination process to assure the methodology behind the charges are accurate. We also suggest management monitor these charges to assure they are being consistently charged.

This condition was considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the general purpose financial statements, and this report does not affect our report on the general purpose combined financial statements dated August 21, 1997.

This report is intended solely for the information of management and the Mayor and Members of the City Council of the City of Corunna and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Mayor and Members of the City Council, is a matter of public record.

We wish to express our appreciation for the courtesy and cooperation extended to us during our audit. We are available to discuss any or all of these suggestions with you and to provide assistance in the implementation of improvements.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

August 21, 1997